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TODAY:  
Money  
Quarterly Funds Review Page 15

## IOC Scandal Hits Sydney; Cash Bribes Reported

Australian Official Says He Offered \$70,000 To Africans Before Vote

The Associated Press

LAUSANNE, Switzerland — The Olympic corruption scandal grew dramatically Friday when an Australian official said he offered \$70,000 in inducements to two African IOC members the night before Sydney won the 2000 Summer Games by two votes.

Australia's senior International Olympic Committee member, who said he was not involved in the offer, acknowledged that it could be considered a bribe and bring demands for Sydney to be stripped of the Games.

The latest development in the growing crisis came on the same day that a Libyan delegate became the second IOC member to resign amid vote-buying allegations in Salt Lake City's selection as host of the 2002 Winter Games. (Page 19)

John Coates, president of the Australian Olympic Committee and a leader of the 2000 Sydney bid, said he offered \$55,000 apiece to two African national Olympic committee members, according to Australian news reports.

The offers were made at a dinner in Monte Carlo on Sept. 22, 1993, the night before Sydney won out over Beijing for the 2000 Games, Mr. Coates reportedly said.

"I thought it was necessary for us to show our commitment to those NOCs with a view to winning those votes," the Sydney Morning Herald quoted Mr. Coates as saying. "My view was it might encourage them to consider their votes for Sydney."

Sydney won, 45 to 43.

Mr. Coates reportedly denied that the money was a bribe and said it helped support sports in the African countries. Details of the offer were contained in a package of previously confidential bid documents released to Australian news media by Mr. Coates, who was in Australia and not immediately available for comment.

The documents also disclosed that Mr. Coates wrote to the delegates a month before the vote, offering to put them up at Sydney's expense at the luxury Dorchester Hotel in London on their way to Monaco.

Kevan Gosper, an IOC executive-board member from Australia, said the reports indicated that the inducements offered by Mr. Coates went "beyond goodwill."

"It seems that John's decision was intended to influence the IOC members' thinking," Mr. Gosper said. "The perception may not match John's intention, the event having taken place the night before the vote."

"I can see this being viewed as questionable conduct. The perception will be quite damaging to Sydney. It's a very serious revelation. I think a lot of people will be destabilized."

Mr. Gosper was a senior official in the Sydney bid, but he said he was unaware of the offers until a journalist called him Friday.

Mr. Gosper said he immediately brought the matter to the attention of the IOC president, Juan Antonio Samaranch, on Friday. He described Mr. Samaranch's reaction as "one of serious concern."

Mr. Gosper said the revelations were serious enough to raise the issue of whether Sydney should keep the Games.

"I can't rule it out that some may call for the Games not to proceed in Sydney," he said, indicating that even some IOC officials may feel that way. "I think the Chinese reaction will be important. There were really only two cities in the race."

Mr. Gosper said he would urge the IOC this weekend to endorse the 1993 vote awarding the Games to Sydney. He also called for all of Sydney's documents to be made public and said the IOC should consider a full-scale inquiry into the city's bid.

Mr. Gosper did not rule out that Mr. Coates would resign over the matter. He said he had not spoken to Mr. Coates directly, but defended him as an "extremely competent" and "first-rate" Olympic chief.



Mr. Clinton speaking at the National Academy of Sciences as Sandy Berger, national security adviser, looks on.

## Marketing John Paul II Uproar Over a Selling Frenzy in Mexico

By John Ward Anderson  
Washington Post Service

MEXICO CITY — Pope John Paul II arrived in Mexico on Friday, and the Roman Catholic Church assembled an all-star roster of corporate sponsors for his visit. Among the more than two dozen "official sponsors": PepsiCo, Federal Express Corp., Sheraton Hotels, Eastman Kodak Co., Hewlett-Packard Co. and Mercedes-Benz.

The sponsorships, designed to help defray the estimated \$2 million cost of the four-day visit, have outraged many Mexicans. Critics complain that the church and the Mexican government have adequate resources to pick up the tab rather than permit defiling of the Pope's image through commercialization.

Church officials here said that without the sponsorships they might have had to charge people — many of them poor — to attend the Pope's appearances during his fourth visit to Mexico. He leaves Mexico Tuesday for St. Louis and a meeting with President Bill Clinton.

The bill for such visits is usually paid for by the host country and its branch of the Catholic Church, and sales of papal memorabilia have often helped cover costs. But in Mexico, in the view of religious scholars as well as many

priests and church members, the mixing of the spiritual and the commercial has gone overboard.

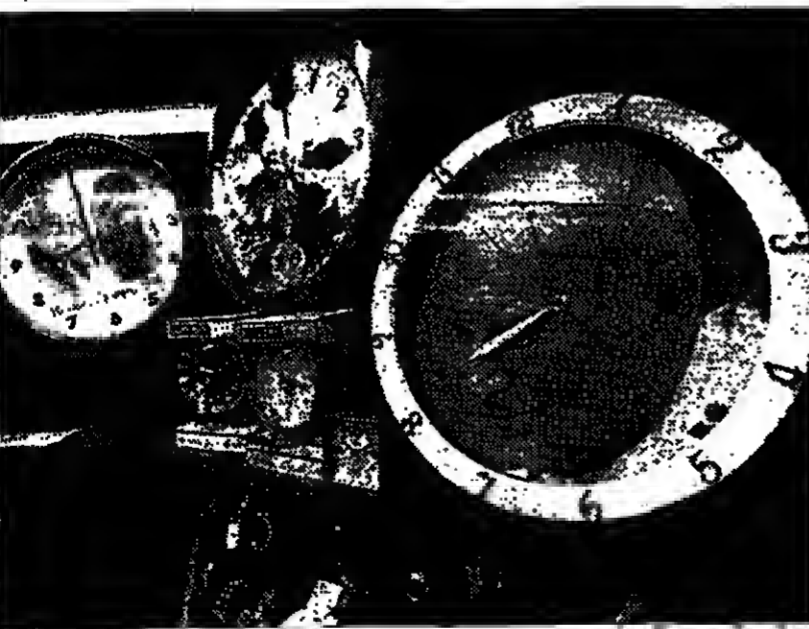
"They've sold the Pope's image before, but they've never done it in such a corporate way, as if it were a soccer World Cup," said Elie Masferrer, president of Mexico City's Latin American Association for Religious Studies. He said the practice illustrates the rise of "the theology of prosperity" within the church.

The sponsorship generating the most controversy is that of the Mexican snack food company Sabritas, which is owned by Frito Lay, which in turn is owned by PepsiCo Inc. The company has stuffed bags of Ruffles potato chips with swamplike pictures of John Paul II and the Virgin of Guadalupe, Mexico's patron saint. The pictures have devotional messages on the back. For an extra 2 pesos (20 cents), one can buy a special frame to display the 10-picture collection.

In a play on the word papa, which in Spanish means both potato and Pope, the Reforma newspaper ran a satirical full-page ad for Sabritas' "Fried Hosts," calling them "Las Papas del Papa," or the "Potatoes of the Pope."

"It's not bad that church officials try to market the Pope, but they have managed the campaign with great clumsiness."

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A shop at Mexico City's Basilica de Guadalupe sells papal memorabilia.

## U.S. Seeks Ultimatum to Bring Self-Rule to Kosovo

By Joseph Fitchett  
International Herald Tribune

PARIS — The administration of President Bill Clinton wants NATO to issue an ultimatum to Serbia threatening military attack unless Belgrade immediately concedes self-rule for the ethnic Albanian majority in Kosovo, U.S. officials said Friday.

After the latest escalation in bloodshed and mistrust, the only hope of stabilizing the Kosovo situation, the U.S. officials said, lies in getting Mr.

Milosevic to accept a political deal amounting to a de facto recognition of self-government.

That outcome, if immediate, might help moderate factions in Kosovo regain the upper hand over the hard-line separatists who have been spurred in their campaign of violence for independence by the harsh tactics of Serbian police and special forces, the sources said.

Agreeing that an ultimatum might prove unavoidable, European officials said a final threat of military action — in effect, war with Serbia — should come

only after a last round of negotiations with Belgrade and preferably after a meeting of foreign ministers of the six mediating states: the United States, Britain, France, Germany, Italy and Russia.

In effect, the European approach would set the deadline in 10 days' time, because Secretary of State Madeleine Albright will be in Paris and London late next week, after a stop in Moscow.

Officials from the six-nation contact group met Friday in London to discuss the political agenda in Kosovo before and after any air strikes, and a European

official said that the session had been "constructive" in framing a consensus on autonomy for the ethnic Albanians.

"If we launch an ultimatum, it should come from allied governments acting together so that we all share the full responsibility for implementing the threat if Belgrade refuses to comply," a European official said. So far, the Clinton administration has taken the view that NATO already would have the authority to proceed with an ultimatum

See KOSOVO, Page 4

## Clinton Sees Threat Of Germ Terrorism President Seeks \$2.8 Billion To Fight Unconventional Arms

By Judith Miller  
and William J. Broad  
New York Times Service

WASHINGTON — President Bill Clinton has said that it is "highly likely" that a terrorist group will launch or threaten a germ or chemical attack on U.S. soil within the next few years.

In an interview Thursday in the Oval Office, Mr. Clinton said he had been persuaded by intelligence reports that the United States needs to bolster its defenses.

"I want to raise public awareness of this," the president said in the 45-minute interview, "without throwing people into unnecessary panic."

He said he wanted Americans "not to be afraid or asleep. I think that's the trick."

Without providing specifics, Mr. Clinton warned that any attack with germ or chemical weapons would prompt "at least a proportionate if not a disproportionate response." The United States has signed treaties not to use chemical or germ weapons.

The president formally announced Friday before the National Academy of Sciences that he would ask Congress for \$2.8 billion in the next budget year to fight terrorists armed with such unconventional weapons as deadly germs, chemicals and electronic devices. Mr. Clinton insisted during the interview that his drive to expand the budget for these programs was rooted in the growing danger of such threats.

Elaborating on some of the initiatives he unveiled, Mr. Clinton said he was weighing a proposal from the Defense Department to establish a commander in chief for the defense of the continental United States, a step that civil liberties groups strongly resist. It would go far beyond the civil defense measures and bomb shelters that marked the Cold War, setting up instead a military leadership to help fight chaos and disarray if

an attack occurred. Pentagon commanders oversee regions around the globe, but not the continental United States.

Critics fear such moves could open the door to rising military influence and a loss of individual rights, but Mr. Clinton insisted that such erosions would never occur. "We've got to preserve civil liberties, resolve all doubt in favor of that, and if there's a question, bring it to me," Mr. Clinton said, while acknowledging there were specific concerns in areas like computer security.

The president gave the interview as his lawyers ended their defense presentation at his impeachment trial in the

See TERRORISM, Page 3

## No Big Shift On Clinton as Senate Starts Questioning

By Brian Knowlton  
International Herald Tribune

WASHINGTON — Entering an uncertain new phase of the trial of President Bill Clinton, senators on Friday put written questions to the legal teams clashing over whether he should be removed from office.

The questioning period came as the trial stood in a state of remarkable flux, and it was unclear to what extent the often partisan questions, and often predictable answers, would help resolve that.

But it was clear that the Democrats were re-invigorated by the White House arguments of recent days, and they are pushing strongly for an early acquittal of the president. They expect to vote on that as early as Monday.

One of the most influential Democratic senators, Robert Byrd of West Virginia, said Friday that he would introduce a motion as early as Monday to end the trial. In a statement, Mr. Byrd said he would do so "not because I believe the president did no wrong," but because he was convinced that pro-impeachment forces in the Senate would never muster the two-thirds vote needed to remove Mr. Clinton from office, and that to lengthen the trial would "only prolong and deepen the divisive, bitter and polarizing effect this sorry affair has visited upon our nation."

But there was to open sign of breaks in Republican ranks, and the prosecutorial managers from the House were maintaining pressure on senators to call witnesses — and to invite Mr. Clinton to testify in person.

The question period returned the Senate to a focus on legalities and constitutional arguments, a day after senators heard a dramatic and eloquent speech from a political ally and friend of Mr. Clinton's, former Senator Dale Bumpers of Arkansas. Mr. Bumpers, whose style was a mixture of folksy country lawyer and passionate, galvanizing orator, told his former colleagues that it was time to forgive Mr. Clinton his "terrible moral lapse" and put an "end to this nightmare." (Page 3)

The Senate majority leader, Trent Lott, suggested holding "another one of those Old Senate Chamber meetings." He was referring to the Jan. 8 meeting in which the 100 senators reached an unexpected bipartisan agreement on how to conduct the trial.

Mr. Lott's Democratic counterpart, Senator Tom Daschle, said he had not heard of such a proposal. It was unclear whether such a meeting would be held. But other senators hinted at bipartisan efforts to fashion an exit from the trial.

Senators had hoped the question period would help resolve lingering uncertainties about the strengths of the two impeachment articles. Those articles, approved Dec. 9 by the House, accuse

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## AGENDA

### Brother of Salinas Is Convicted in Mexico

Raul Salinas de Gortari, the brother of Mexico's former president, has been convicted of ordering the 1994 assassination of a prominent politician and sentenced to 30 years in prison. It was a stunning verdict that shattered the impunity that has shielded powerful Mexicans for decades. And the judge's decision Thursday, after a tangled four-year trial, was

widely considered to be the most important criminal verdict in modern Mexico, giving a boost to the independence of the justice system.

But the case also exposed the system's disarray. Raul Salinas was condemned mainly by hearsay evidence, with the judge admitting there was no "direct proof." Mr. Salinas plans to appeal. Page 5.

### Romania Reaches Deal With Miners

The Romanian government reached a deal with striking coal miners Friday after hours of talks in a monastery, ending five days of clashes and averting a march on the capital by 10,000 of the miners, who were demanding higher wages and severance pay for those laid off. Page 2.

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The IHT on-line: www.ihl.com

## Russia's 'Stealth' Bluff: Rollout of Fighter That Hasn't Been Built

By David Hoffman  
Washington Post Service

MOSCOW — With much fanfare on a snowy tarmac at the Zhukovsky test field last week, Russia rolled out its long-awaited fifth-generation "stealth" fighter jet in front of dignitaries that included the minister of defense, Igor Sergeev. The plane, with the number 01 on the fuselage, was hailed by Mr. Sergeev as a "revolution in the Russian Air Force."

Mikhail Korzhnavey, director of the MiG company, which designed the plane, boasted: "If this

plane was used to beat off the British-American air raids on Iraq, 90 percent of all the launched guided weapons, including cruise missiles, would be shot down before they reached targets on the territory of Iraq."

But there was just one problem. The plane on the tarmac was not the plane they were talking about. In fact, the plane they were talking about does not exist, except on the drawing board, and may never be built.

Instead, the Russian designers substituted a more ordinary jet fighter, which itself has never flown, and was built for testing engines. It is not

clear exactly why the Russians staged the event, but disclosure that they faked what they described as a fighter for the 21st century has stirred heated exchanges in recent days.

Alexander Zhilin, a journalist for the newspaper Moscow News, who had once been an aerospace magazine correspondent, was invited to the roll-out by Yevgeny Shaposhnikov, one-time Soviet defense minister and now adviser on aviation to President Boris Yeltsin.

Rumors had circulated for years about Russia's top-secret stealth fighter. Some specialists had been quoted as saying the program had run out of money.

But the ceremony offered a tantalizing look at the plane and suggested the program was still alive.

Mr. Zhilin recalled when he saw the plane at the Jan. 12 event: "I was taken aback." It was not the long-rumored stealth interceptor. It was something else.

At first, Mr. Zhilin said in an interview, he thought perhaps the Russian secret services had staged an elaborate deception, to fool foreign intelligence services. But, he said, "the plane was too roughly made" to even qualify as a decoy.

See PLANE, Page 4

### Newsstand Prices

Bahrain	1,000 BD	Mexico	55 c
Cyprus	£ 1.00	Nigeria	2,800 NGN
Denmark	17 DKR	Oman	1,250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	2.00 GIB	Saudi Arabia	10 SR
Great Britain	£1.00	Singapore	1.10 S\$
India	1,250 INR	South Africa	10.00 ZAR
Japan	1,200 JPY	U.A.E.	10.00 DH
Korea	1,200 KRW	U.S. (Est.)	\$ 1.20
Kuwait	700 KWD	Zimbabwe	2m. 340.00

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# Russia Rejects Any Changes in ABM Treaty

By Daniel Williams  
Washington Post Service

MOSCOW — Russia on Friday flatly rejected any changes in the Anti-Ballistic Missile Treaty with the United States, and it implied that Clinton administration proposals to amend the accord and build a missile defense shield would undermine efforts at mutual nuclear arms reductions.

The rejection was the first response to a letter that President Bill Clinton wrote to President Boris Yeltsin informing him of the administration proposal. The budding dispute compounds a distinct cooling of relations between Moscow and Washington over issues ranging from Kosovo to Iraq to NATO expansion.

Despite the U.S. administration's assurance that the proposed \$6.6 billion anti-missile system is aimed at potential nuclear states like North Korea or Iran, Russia quickly saw it as the initiation of a new arms race, which Russia, in its destitute condition, is bound to lose.

Foreign Minister Igor Ivanov was asked by a reporter if Russia would consider altering the 1972 ABM Treaty. "No," he said, "I'll say that straight away."

He asserted that the United States "recognizes" that the ABM Treaty is "the cornerstone of further cuts in strategic offensive weapons" and was confident Washington would make no changes.

General Leonid Ivashov, head of the Defense Ministry's international cooperation desk, said bluntly that canceling the treaty would be a "violation of strategic stability" and give the United States decisive supremacy over Russia.

The responses came just days before a scheduled visit by Secretary of State Madeleine Albright to Moscow. She will meet a Russian diplomatic corps dedicated to counterbalancing American influence in the world. Here, talk of a potential partnership, a goal once promoted by both Mr. Clinton and Mr. Yeltsin, is now more frequently reserved for Europe, and even China and India.

Mr. Ivanov, who reviewed Russian foreign policy at a press conference, served up a virtual alphabet of disputes with Washington.

He repeated Russia's opposition to the use of force in Kosovo to deter Serbia's military assaults on the breakaway province. Russia "cannot agree with attempts to formalize the use of force" by the North Atlantic Treaty Organization outside its area and "without the United Nations Security Council's consent," he said.

He called air strikes on Iraq "a serious mistake" and placed Russia firmly against American efforts to isolate Iran. Moscow would continue to cooperate with the Islamic state, he said, a reference to the construction of a Russian-made nuclear reactor there.

His remarks followed lines laid out three years ago by Prime Minister Yevgeni Primakov, who was then foreign minister. Mr. Primakov designed a foreign policy meant to distance Russia from the United States, bring it closer to Western Europe and Asian countries, and, through these "multipolar contacts," restore Moscow's global influence.

Apparently in a reference to the United States, Mr. Ivanov said that in 1998, "Some still wanted to drive the world into a narrow framework, which runs counter to the right of countries to effectively participate."

Nonetheless, "Russia not only managed to retain the status of one of the key players in the international arena, but also to strengthen it," he said.

Mr. Ivanov tried to soften the impression that a new Cold War was brewing. "Frissons can be found even in a family," he said. "These disagreements should not be allowed to grow into open confrontation between our countries."

Another Russian official, Deputy Prime Minister Yuri Maslyukov, seemed to give way on a topic that Mrs. Albright will take up next week: the secret transfer of missile technology to Iran. Mr. Maslyukov undercuts Russia's previous denials that its scientists had passed on long-range missile technology to Tehran. He said in a television interview that "some of the cases" that the United States had presented "turned out to be true."

To punish the technology transfer, the Clinton administration has placed sanctions on a dozen Russian scientific



Foreign Minister Ivanov speaking Friday in Moscow on the U.S. plan.

institutions and threatened to forbid U.S. companies from launching satellites on Russian boosters. The satellite business is worth millions of dollars to the Russian space industry.

## U.S. Gives Russia Assurance

The United States assured Russia on Friday it wanted to stay within the Anti-Ballistic Missile Treaty, despite plans to spend more on developing a defense umbrella against rogue missiles, Reuters reported from Washington.

"It's the basis of an arms control regime that has now existed for decades and one that we are committed to," Mrs. Albright said at a joint news conference with Foreign Minister Eduard Kukan of Slovakia.

## Missile Defense: U.S. Weighs Risk To Chinese Ties

By Elizabeth Becker  
New York Times Service

WASHINGTON — Having planned a major outlay for defensive missile, the Clinton administration now faces a major diplomatic and military quandary with China.

The sensitivities are so acute that the administration has twice delayed sending Congress a classified report on a proposed missile system to defend Japan, South Korea and Taiwan, plus the U.S. troops stationed in the region, officials said Thursday.

Anxiety arose when North Korea fired a ballistic missile over Japan and into the Pacific Ocean on Aug. 31. Sensitivities also are involved in U.S. plans to develop and test a limited national system of missile defense, at a proposed cost of \$10.5 billion over six years.

This development may also involve the renegotiation of agreements with Russia.

During a tour of Japan this month, Defense Secretary William Cohen met with top Japanese officials to discuss a joint venture to develop regional missile defenses. Immediately, the Chinese accused the United States of trying to start "a revival of Japan's military ambitions."

As a result, in Washington, "They've gone over the draft several times," said an administration official who has seen the documents. "No one wants China to be offended."

After the North Korean missile firing, Japanese public opinion shifted nearly overnight toward supporting such a system, and the Japanese Parliament approved joint research with the United States after years of quietly fending off U.S. proposals.

The flight of the North Korean missile with its greatly increased range also raised alarm in Congress and the Clinton administration. The 37,000 U.S. troops based in South Korea and nearly 50,000 others serving in Japan appeared far more vulnerable, officials said, to the improved North Korean missile system.

Since North Korea remains dependent on China, the administration immediately asked the Chinese to persuade Pyongyang to demonstrate that it would stop firing missiles over Japan, but to no avail.

China is directly at issue in the question of defending Taiwan, which is threatened only by Chinese missiles. Since the early 1990s, China has more or less doubled, to several hundred, the number of missiles on the coast facing Taiwan. And any system protecting Taiwan would have to be "crafted to neutralize those Chinese missiles."

That creates a double blow, in the Chinese view, that makes any proposed system look like an offensive weapon aimed at Beijing and not just a shield against it.

One of the biggest ironies of this debate is that it was China's client — North Korea — that brought this debate into full daylight and that is causing such problems for China," said Richard Armitage, a former Defense Department official.

The missile defense plan is expensive and as yet unproved; it will be years before such a system could be ready, which is one of the arguments the administration is making to the Chinese to calm their fears.

But while administration officials continue to debate how to sell the idea to China, there is little doubt that the research will go ahead.

The administration plans to give the classified report to Congress next week.

## Russians Hoping for 3 More Years for Mir

The Associated Press

MOSCOW — Prime Minister Yevgeni Primakov signed a decree Friday that calls for keeping the Mir space station in orbit for three more years, officials said.

The move is likely to disappoint U.S. space officials, who wanted Russia to abandon the Mir in coming months so Moscow could spend its limited resources on the new International Space Station.

The Mir has been in orbit for almost 13 years, far longer than any other space station. It suffered a series of serious breakdowns in 1997 but has been running smoothly for more than a year now and currently has two Russians aboard.

Russian space officials are deeply attached to the Mir. But Russia is chronically short of cash, and critics say it cannot afford to fund two separate space stations.



Some of the 10,000 Romanian coal miners leaving Rimnicu-Vilcea on Friday after their union reached a deal with the government, ending five days of clashes and averting their march on the capital.

One miner said they had secured a 30-percent wage increase.

The miners were demanding a wage increase of 35 percent and large severance payments for workers let go. The government said it could not afford the demands and argued that miners already earn double the average salary of 1.2 million lei (\$100) a month, even though the mines are losing money.

As the talks ended, about 10,000 miners in the nearby city of Rimnicu-Vilcea who had been threatening to march on the capital began to board buses to return to the western coal fields. Some cheered and shouted for their leader, Mircea Cozma.

The miners' march had raised fears of a repeat of the 1990-91 protests in Bucharest that turned violent and sparked the fall of the government of

Petre Roman. Hundreds of military vehicles had been sent out of Bucharest to block a march by miners on the capital. The government canceled rail service between Rimnicu-Vilcea and the capital.

Miners broke through police lines Thursday, injuring about 190 police officers in the most intense of five days of clashes, officials said. The violence prompted President Emil Constantinescu to warn that he would impose a state of emergency if the miners did not stop their protest. But he decided to wait for the outcome of Cozma's mediation talks.

The week's unrest was a sharp reminder of how far Romania has to go to catch up to more prosperous and stable former Soviet-bloc allies now on the threshold of membership in the European Union and NATO, which Romanians also are keen to join.

Although it defeated former communists in 1996 elections, the four-party governing coalition has been hampered by infighting and slow to retol the rigid, state-planned economy. Foreign investment is much lower than in neighboring Hungary, and investors complain of bureaucracy, corruption and tepid reforms. (AP, AFP)

## Romania Sets Deal to End Miners' March

Compiled by Our Staff From Dispatches

BUCHAREST — After hours of talks in a central Romanian monastery, the government said Friday that it had reached a deal with striking coal miners, averting a clash with troops that had been sent to keep the miners from storming the capital.

Prime Minister Radu Vasile came out of talks with leaders of the miners' union in Cozia, 175 kilometers (110 miles) northwest of Bucharest, saying the immediate crisis was over.

"Neither the miners nor the government won," Mr. Vasile said. "Only the country won, because there will be peace."

He did not give details of the deal, saying they would be ironed out in Bucharest in the coming weeks. He said the proposal "went in the direction of the miners' claims" but would not become final until a plan to reduce production costs in the mines was completed.

## Zimbabwe Police Arrest Newspaper Publisher

The Associated Press

HARARE, Zimbabwe — The police arrested Friday the publisher of a newspaper that reported a suspected coup plot, charging him under state security laws and stepping up a government campaign against the paper.

Clive Wilson, 62, was taken from his office at The Standard to the main Harare police station by detectives who had served him with an arrest warrant, said John Wetherell, a colleague of Mr. Wilson's.

The arrest came a day after the editor and a reporter for the weekly newspaper were released bearing signs of torture. The police tried to force them to reveal the sources of

their report through the abuse, they said. The newspaper's lawyer, Simon Bull, visited Mr. Wilson at the police station where the publisher was charged under security laws prohibiting the dissemination of false information likely to cause fear, alarm and despondency, said Mr. Wilson's son, Nigel.

The offense carries a maximum sentence of seven years in jail.

Suzanne Daley of The New York Times reported earlier from Johannesburg: The two Standard journalists, arrested for reporting last week about a

reported coup plot by the army against President Robert Mugabe, were released on bail after they told a judge that they had been tortured while detained.

The journalists said that they had been beaten, given electric shocks on the hands, feet and genitals and nearly suffocated by having their heads submerged in drums of water, a torture known as "the submarine."

The journalists, Mark Chavunduka, 34, and Ray Choto, 36, had cigarette burns on their bodies when they appeared in court in Harare, the Zimbabwe capital. They were released on \$250 bail and told to appear in court again on Feb. 22.

## TRAVEL UPDATE

### France Again Tops Tourists' List

PARIS (AP) — Capitalizing on the World Cup, France kept its place as the world's most popular tourist destination in 1998, drawing about 70 million foreign visitors during the year, French tourism officials said.

France attracted 3 million more tourists in 1998 than during the previous year, according to the tourism minister, Michelle Demessine.

The tourism industry's profits totaled 175 billion francs (\$31.2 billion), a 7 percent increase over 1997.

Miss Demessine said some had feared that the World Cup would keep many visitors away, but that "the excellent mobilization of French tourism professionals" made the event profitable.

### Schroeder to Open Jewish Museum

BERLIN (AP) — After six years of preparation, Berlin's Jewish Museum will be officially inaugurated Saturday by Chancellor Gerhard Schröder, though the building will not open its doors to the public until Feb. 5.

But the new museum will remain open until October 2000, when the permanent exhibition opens, and completion is not due for another "five to seven years," according to its American director, Michael Blumenthal.

The building was designed by an American architect, Daniel Libeskind, and built in the shape of a Star of David with a zinc-covered exterior. The museum's permanent exhibition will detail the history of Judaism over 2,000 years, with themes focusing on extermination, exile and continuity.

The Jewish Museum is separate from a possible Holocaust museum or memorial in Berlin, which is still in the early stages of planning.

## WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



**North America**  
Soaking rain and thunder. Cold weather will begin Sunday along the Eastern to spread southward across the continent. Showers will precede the cold weather early in the week. Chicago and Toronto will be dry and clear. A storm from Mexico through Florida will bring widespread rain to Atlanta Sunday and Monday, with showers possible on Tuesday.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 • <http://www.accuweather.com>

City	High	Low	High	Low	High	Low
Atlanta	68	48	65	45	62	42
Boston	45	35	42	32	39	29
Chicago	55	35	52	32	49	29
Denver	55	35	52	32	49	29
Houston	65	45	62	42	59	39
Los Angeles	65	45	62	42	59	39
London	55	35	52	32	49	29
Madrid	65	45	62	42	59	39
Moscow	45	35	42	32	39	29
New York	45	35	42	32	39	29
Paris	55	35	52	32	49	29
San Francisco	65	45	62	42	59	39
Seattle	55	35	52	32	49	29
Shanghai	65	45	62	42	59	39
Singapore	85	65	82	62	79	59
Tokyo	65	45	62	42	59	39
Washington	45	35	42	32	39	29

Legend: sunny, partly cloudy, cldy, sh-shower, th-thunderstorm, r-rain, dr-dry, fog, snow.

### Asia

City	High	Low	High	Low	High	Low
Algeria	65	45	62	42	59	39
Bangkok	85	65	82	62	79	59
Beijing	55	35	52	32	49	29
Bombay	85	65	82	62	79	59
Buenos Aires	65	45	62	42	59	39
Calcutta	85	65	82	62	79	59
Chennai	85	65	82	62	79	59
Colombo	85	65	82	62	79	59
Dhaka	85	65	82	62	79	59
Hong Kong	65	45	62	42	59	39
Kuala Lumpur	85	65	82	62	79	59
Manila	85	65	82	62	79	59
Mumbai	85	65	82	62	79	59
Osaka	65	45	62	42	59	39
Perth	65	45	62	42	59	39
Port Moresby	85	65	82	62	79	59
Rangoon	85	65	82	62	79	59
Seoul	55	35	52	32	49	29
Shanghai	65	45	62	42	59	39
Singapore	85	65	82	62	79	59
Taipei	65	45	62	42	59	39
Tokyo	65	45	62	42	59	39
Yokohama	65	45	62	42	59	39

### Europe

City	High	Low	High	Low	High	Low
Amsterdam	55	35	52	32	49	29
Antwerp	55	35	52	32	49	29
Athens	65	45	62	42	59	39
Berlin	55	35	52	32	49	29
Brussels	55	35	52	32	49	29
Copenhagen	55	35	52	32	49	29
Dublin	55	35	52	32	49	29
Frankfurt	55	35	52	32	49	29
Geneva	55	35	52	32	49	29
Hamburg	55	35	52	32	49	29
Heidelberg	55	35	52	32	49	29
Kyiv	55	35	52	32	49	29
Lisbon	65	45	62	42	59	39
London	55	35	52	32	49	29
Madrid	65	45	62	42	59	39
Moscow	45	35	42	32	39	29
Munich	55	35	52	32	49	29
Nairobi	85	65	82	62	79	59
Paris	55	35	52	32	49	29
Rome	65	45	62	42	59	39
Stockholm	55	35	52	32	49	29
Toronto	55	35	52	32	49	29
Vienna	55	35	52	32	49	29
Warsaw	55	35	52	32	49	29
Washington	45	35	42	32	39	29
Zurich	55	35	52	32	49	29

### Latin America

City	High	Low	High	Low	High	Low
Buenos Aires	65	45	62	42	59	39
Caracas	85	65	82	62	79	59
Colon	85	65	82	62	79	59
Guatemala	85	65	82	62	79	59
Havana	85	65	82	62	79	59
Managua	85	65	82	62	79	59
Medellin	85	65	82	62	79	59
Montevideo	85	65	82	62	79	59
Quito	85	65	82	62	79	59
Rio de Janeiro	85	65	82	62	79	59
Santiago	85	65	82	62	79	59
Sao Paulo	85	65	82	62	79	59
Tegucigalpa	85	65	82	62	79	59
Valparaiso	85	65	82	62	79	59
Washington	45	35	42	32	39	29

### Oceania

City	High	Low	High	Low	High	Low
Auckland	55	35	52	32	49	29
Sydney	55	35	52	32	49	29

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DENMARK	D\$	1,380	540	55	
FINLAND	F\$	1,380	540	55	
FRANCE	F\$	1,380	540	55	
GERMANY	M\$	1,380	540	55	
ITALY	L\$	1,380	540	55	
JAPAN	Y	29,000	12,150	55	
NEDERLAND	N\$	1,380	540	55	
NORWAY	N\$	1,380	540	55	
SPAIN	P\$	1,380	540	55	
SWEDEN	S\$	1,380	540	55	
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USA	\$	1,380	540	55	

# Eloquent Defense Enthralls Senate

Relaxed and Wry, Bumpers Calls for an 'End to This Nightmare'

By R.W. Apple Jr.  
New York Times Service

WASHINGTON — In a speech of rare eloquence, former Senator Dale Bumpers of Arkansas concluded the defense of President Bill Clinton on impeachment charges, coupling an admission of Mr. Clinton's sins and weaknesses with a plea for his acquittal for the good of the nation.

"The American people now and for some time have been asking to be allowed a good night's sleep," the silver-haired Mr. Bumpers told the 100 senators, who hung on his every word Thursday as they very rarely do for anyone. "They're asking for an end to this nightmare. It is a legitimate request."

Recalling that James G. Blaine of Maine had concluded, 20 years after voting to convict President Andrew Johnson in 1868, that he had "made a bad mistake," because conviction would have created chaos, Mr. Bumpers cautioned: "So it is with William Jefferson Clinton. If you vote to convict, in my opinion, you're going to be creating more havoc than he could ever possibly create. After all, he's only got two years left."

His warning gained weight from his exhortation of the president's conduct with Monica Lewinsky, the former White House intern. Their illicit sexual affair underlies the two articles of impeachment.

"Why, Mr. Bumpers asked, did Mr. Clinton, by his own admission, deceive his family, his friends, his cabinet and the American public?"

"Well," Mr. Bumpers answered, "he knew this whole affair was about to bring unspeakable embarrassment and humiliation upon himself, his wife, whom he adored, and a child that he worshipped with every fiber in his body and for whom he would happily have died to spare her this or to ameliorate her shame and her grief."

"We are one of us perfect. Sure, you say, he should have thought it all out beforehand, and indeed he should, just as Adam and Eve should have."

The president may not have welcomed Mr. Bumpers' description of his behavior as "indecent, outrageous, unforgivable, shameful," or his acknowledgment that perhaps the president deserved no compassion. But that surely undercut any thought that he was standing up for Mr. Clinton out of unquestioning friendship.

Relaxed and discursive, strolling back and forth in the well of the Senate — not standing stock-still behind a lectern as many others have done — and eschewing legal fine points, Mr. Bumpers introduced humor into the sober proceedings for the first time in six tense days. Several of his self-deprecating sallies drew guffaws. But he also spoke feelingly of the emotional devastation Mr. Clinton has caused for his wife and daughter.

The Clintons "have been about as decimated as a family can get," the former senator said in one of the most explicit comments any friend has made to date on the psychological toll of the president's conduct. "The relationship between husband and wife, father and child, has been incredibly strained, if not destroyed."

Mr. Bumpers' powerful presentation may or may not have changed many Republican minds, and Republicans have a majority in the Senate. But he surely stiffened the backs of any Democrats who may have thought even fleetingly of deserting the president, and that is all Mr. Clinton ultimately needs: the votes of 45 Democrats to make it arithmetically impossible for the Senate to muster the two-thirds vote it needs to oust the president.

A highly technical two-hour appearance by the president's personal attorney, David Kendall, was reduced almost to the status of a footnote by the Bumpers speech. One by one, Mr. Kendall rebutted five separate charges of obstruction of justice contained in Article II. Many of them also were covered in Article I, the perjury article, so he plowed little new legal ground.

Mr. Bumpers, whose fourth term expired only a few weeks ago, began by mocking himself. He said his audience

was about the same size as all the audiences he had drawn in his 24 years as senator combined.

"You can take some comfort, colleagues, in the fact that I'm not being paid," he said. "And when I'm finished, you'll probably think the White House got its money's worth."

Like others on the defense team, he took the House managers to task for having stretched evidence beyond the bounds of common sense. But he softened his criticism with the comment "It's wanting to win too badly."

He, too, spoke caustically of the length and scope of the "five-year, relentless, unending investigation" by Kenneth Starr, the independent counsel, describing it as "maybe the most intense investigation not only of a president but of anybody, ever."

Inspector Javert's pursuit in "Les Misérables" of Jean Valjean "pales by comparison," he said.

He responded directly to those, including Representative Henry Hyde of Illinois, the chief prosecutor, who have suggested that the United States was diminished as a force in the world by having "a presidential perjury" in office. "This nation has never enjoyed greater prestige in the world than we do right now," Mr. Bumpers said.

In support, he cited comments made recently by President Carlos Menem of Argentina, President Vaclav Havel of the Czech Republic, King Hussein of Jordan and President Nelson Mandela of South Africa.

Mr. Bumpers argued at some length that there was perjury and perjury, that some lies told under oath were worse than others. There is "a very big difference," he said, between perjury about marital infidelity in a divorce case and perjury in a murder case about buying the murder weapon.

"To charge somebody with the first, and punish them as though it were the second, stands our sense of justice on its head," he told the senators, many of whom are also lawyers. "There is a total lack of proportionality, a total lack of balance in this thing. The charge and the punishment are totally out of sync."



Dale Bumpers, summing up before Mr. Hyde, said conviction would cause more chaos than Mr. Clinton could.

## CLINTON: Predictable Answers Are Given to Partisan Questions

Continued from Page 1

Mr. Clinton of perjury himself and obstructing justice in his attempts to conceal an intimate relationship with the former White House intern, Monica Lewinsky.

But as the chief justice of the United States, William Rehnquist, took written questions first from one side of the aisle and then the other, and read each in turn, the result was a sometimes awkward mixture of jabs by each legal team at the other, of more or less powerfully made points, and of arcane legal argument.

The overall result did not appear greatly to favor either side.

The first question came from four Republican senators: Wayne Allard of Colorado, Jim Bunning of Kentucky, Paul Coverdell of Georgia and Larry Craig of Idaho, and was directed to the prosecution team.

"Is it the opinion of the House man-

agers that the president's defense team, in the presentation, mischaracterized any factual or legal issue in this case? If so, please explain."

One manager, Representative Ed Bryant of Tennessee, rose to respond. "There are a number of mischaracterizations and statements which we disagree with," he said.

The case against Mr. Clinton, he said, was much more than the "she-said he-said" case White House lawyers described. He insisted that there was "ample corroboration," including phone logs, Secret Service logs and the "incredible memory" of Ms. Lewinsky herself.

After Mr. Bryant's nine-minute response, which Justice Rehnquist did not cut off, the next question came from a Democratic senator, Paul Sarbanes of Maryland, who merely asked the White House lawyers to respond to Mr. Bryant.

The White House counsel, Charles Ruff, called Mr. Bryant's comment irrelevant. "Nobody disputes the fact," he said, "that Ms. Lewinsky was in the White House engaged in inappropriate conduct with the president on a particular day."

To a pointed complaint from Mr. Bryant that Mr. Ruff had accused the prosecutors of "fudging," Mr. Ruff responded, "I have never suggested that the entire prosecution is so infected."

The proceedings continued in much the same fashion, with first Republicans giving House managers a chance to respond to the White House lawyers, then Democrats asking a question permitting the White House team to reply. The partisan split on impeachment was thus underlined; few new arguments were heard, and the exercise appeared unlikely to occasion any major shift in opinion.

It did, however, provide an opportunity for the Republican managers to answer some of the points raised in the three preceding days by the White House team. The 13 House members had expressed intense frustration, a fier the White House side concluded its argument, that Senate rules gave them no formal rebuttal time.

It appeared unlikely, however, with questions alternating between the Republican and Democratic side, that either would be able to score sufficient rhetorical or constitutional points to change the sense of momentum substantially.

Several senators interviewed by The Washington Post after the White House closed its case expressed what they called "some real unease" at the

thought of an extended trial, and at least a few Republicans were moving away from the notion of calling witnesses.

Senator Craig Thomas, a conservative Republican from Wyoming, hinted that there was interest among senators in fashioning an exit strategy that would satisfy both sides.

"I wouldn't think there is any strong feeling for wrapping it up this week-end," he said. "A week from now, there certainly might be."

Some questions, however, went to the fundamental nature of impeachment. One from four Republican senators, asked whether, as the White House asserted, the articles of impeachment are "overly vague."

Charles Canady, a House manager from Florida, who said that "articles of impeachment have never, have ever, been required to be drafted with the specificity of criminal law." He said it was clear from the president's legal defense "that President Clinton and his counsel know exactly what he is charged with."

After Mr. Bumpers' speech, Democrats appeared increasingly united in strong opposition to removing Mr. Clinton from office. Even one of the House managers arguing for conviction, Representative George Gekas of Pennsylvania, said he was aware of no Democrats who had been persuaded that Mr. Clinton's efforts to conceal his relationship with Ms. Lewinsky merited his removal from office.

Conviction and a Clinton removal would require at least 12 Democratic defections.

Mr. Lott denied he was seeking an exit from the trial under pressure from some Democrats who had been persuaded that a drawn-out proceedings would inflict long-term political damage to their party, as numerous Democrats have said in recent days.

Democrats, meanwhile, have said that the White House case has left the House prosecutors' arguments in such a damaged state that a scheduled vote next week on whether to depose witnesses should be skipped and the Senate instead should move straight to votes to acquit Mr. Clinton of the articles of impeachment.

Several Senate Republicans have been resisting such a move, insisting that until witnesses are called, crucial conflicts in testimony and evidence cannot be resolved.

One Democrat, Senator Bob Kerrey of Nebraska, told reporters there were "close to 45 votes to dismiss" the trial, the total number of Democrats in the Senate. That's shy of the majority that would be needed.

## POLITICAL NOTES

### Conservatives Swipe at Bush

WASHINGTON — Three underdogs in the developing battle for the Republican presidential nomination have sought to undermine the conservative credentials of Governor George Bush of Texas.

The anti-Bush assault so early is testimony to the fact that even though the Texas governor has not formally announced, he is the clear front-runner. Winning over the party's conservative base will be crucial for success in next year's primary battle, and the three potential candidates chose the annual meeting Thursday of the Conservative Political Action Committee to make their case.

In the harshest attack, former Governor Lamar Alexander of Tennessee accused Mr. Bush of using "weasel words" in his call for a "compassionate conservatism." Mr. Alexander called such phrases "words cleverly and deliberately put together to confuse people by meaning nothing." The "weasel words" description was coined by Theodore Roosevelt, who, according to Mr. Alexander, compared such use of language to weasels, who "like to sneak into hen houses, latch onto eggs and suck the yolks, leaving empty shells for farmers."

Mr. Alexander was followed in his assault on Mr. Bush by the publisher Malcolm Forbes and the conservative activist Gary Bauer.

Former Vice President Dan Quayle has already has criticized Mr. Bush for his "compassionate conservatism."

He said, "I have ordered my staff to never — EVER — utter the words 'compassionate conservative.' This silly and insulting term was created by liberal Republicans and is nothing more than code for surrendering our values and principles."

Mr. Forbes said in his speech that "it is no great mystery why the majority of voters abandoned the Republican Party." President Bill Clinton, he said, "is a walking, talking monument to the failures of the Republican establishment. Twice the Republican establishment has faced Bill Clinton, twice they have abandoned conservative ideas, twice they have lost. And if we allow ourselves to be seduced by the siren song of these mushy moderates, make no mistake: They will take us down to defeat once again."

Mr. Bauer, who filled the meeting with cheering supporters wearing "Bauer Power" T-shirts, said it now looks likely that the Republican field will include both "a Bush Republican" and "a Dole Republican," both of which signal the moderate politics "unpopular in conservative circles." Mr. Bauer said he intends to make sure the choice includes "a Reagan Republican," presumably himself.

Karen Hughes, Mr. Bush's communications director, questioned the criticism: "It's perplexing," she said, "that fellow Republicans would attack a popular, conservative governor from a very conservative state whose overwhelming re-election proved conservatives can erase the gender gap and attract record numbers of minority voters while remaining true to conservative principles." (WP)

### Republicans Pick Nicholson

WASHINGTON — Jim Nicholson overcame an aggressive challenge Friday to win a second term as chairman of the Republican National Committee.

Mr. Nicholson, a Colorado businessman, defeated the Florida Republican Party chairman, Tom Slade, 127-36, despite disappointment with the party's showing in the 1998 midterm elections. (AP)

### Debating 'Social Promotion'

NEW YORK — When Mr. Clinton announced in his State of the Union address that he wanted the federal government to press schools to end "social promotion," he was stepping into a long-standing, mine-laden educational debate: When students fail, is it better to have them repeat the grade or promote them to the next grade to keep them with their age group?

The president, in effect, is opting to hold them back. And while it may seem obvious that promoting failing students does no one any good — giving parents and students false notions of their progress and forcing teachers to dumb down curricula — most studies argue against making pupils repeat grades. Students held back once usually end up doing somewhat worse in school and have a smaller chance of graduating than equivalent students allowed to move to the next grade. And youngsters held back twice nearly always drop out.

"The term 'social promotion' carries so much emotion," commented Thomas Holmes, head of the department of educational leadership at the University of Georgia, who analyzed 63 studies on the issue. "It sounds like we're letting kids get away with things they didn't earn."

"But we are not stopping to ask what it is and what we could do to avoid it rather than outlaw it."

School systems have seenaweed between the two policies for decades. Increasingly, educational researchers say the choice is a false one and that what is needed is a third way: early identification of failing students and intensive intervention through one-on-one tutoring, after-school programs and summer school. But that costs a great deal of money. (NYT)

## TERRORISM: Clinton Warns of Attacks in U.S.

Continued from Page 1

Senate. At the very end of the interview, he answered one question related to impeachment by agreeing that the ordeal had placed a great strain on his family and by expressing the hope that the worst was over.

Despite the political pressures, Mr. Clinton appeared relaxed and deeply engaged in the complex scientific and policy issues raised by what the White House has called 21st-century threats. He smiled repeatedly, yet spoke of spending sleepless nights pondering new security challenges after the end of the Cold War.

Among other new considerations, Mr. Clinton said he was weighing a proposal to give anthrax vaccinations to police, fire, public health and other emergency officials in cities throughout the country. That would be in addition to the current drive to vaccinate more than 2 million soldiers.

He declined to say whether he himself had been vaccinated against deadly germ agents, saying that the Secret Service had advised him to remain silent.

He also vowed to forge ahead despite congressional criticism with cooperative programs with Russia aimed at providing jobs to some 8,000 former weapons scientists who might otherwise be tempted to work with rogue states or terrorist groups.

Among the programs he highlighted Friday are developing new vaccines, stockpiling antibiotics, and setting up emergency medical teams in major cities and a corps of computer experts who could respond quickly to electronic attacks.

With his presidency under fire, it is unclear how much of the proposed \$2.8 billion in military funds and programs Mr. Clinton will be able to get through the Republican-dominated Congress. But lawmakers have usually supported White House efforts to fight terrorism.

Mr. Clinton said that of all the new threats, the one that "keeps me awake at night" is the possibility of germ attack. "A chemical attack would be horrible, but it would be finite," he said, adding that it would not spread. But a biological attack could spread, he added, "kind of like the gift that keeps on giving."

During Mr. Clinton's presidency, terrorism has emerged as one of the nation's thorniest security challenges, its dangers more diffuse than those of the Cold War yet more immediate.

Mr. Clinton said he had begun worrying about biological terrorism and other unconventional threats six years ago, in February 1993, after Islamic radicals exploded a bomb under the World Trade Center in New York. The bombing one month after he came into office killed six people and wounded more than 1,000.



Debris surrounding the badly damaged courthouse Friday after a tornado ravaged downtown Clarksville, Tennessee.

## Waves of Tornadoes Rip Into Arkansas

The Associated Press

LITTLE ROCK, Arkansas — Tornadoes ripped across the South for the second time in less than a week, killing at least seven people in two states and leaving thousands of people without power.

Wave after wave of twisters hit central Arkansas late Thursday afternoon and evening, collapsing roofs, knocking down power poles and leaving trees strewn about the grounds of the governor's mansion. Six people died.

In Tennessee, a tornado touched down in Clarksville on Friday morning, ripping roofs off buildings. No deaths were reported there, but one person was killed elsewhere in Tennessee. Last Sunday, tornadoes killed nine people in the state.

Two people were killed Thursday in the Little Rock area when trees fell on them, and a 67-year-old pharmacist died of his injuries Friday morning. In Beebe, 30 miles to the northeast, a 2-month-old baby was blown out of a home and killed and another woman was found dead at her home.

At Center Hill, a Searcy school board member died when her mobile home was struck.

Arkansas utilities said the tornadoes left 72,000 customers without power, and the authorities opened five shelters from the Little Rock area to Newark, 90 miles to the northeast. As many as 30 tornadoes were reported to have hit the state during the night.

## Away From Politics

• Racial prejudice was the most common motivation for hate crimes in 1997, according to a report by the FBI, which said that it accounted for 4,710 of the 8,049 incidents reported. Among the others, 1,385 were attributed to prejudice about religion. Prejudice about sexual orientation was involved in 1,102 cases. Other biases concerned ethnic or national origin, in 836 cases; disability, in 12; and multiple prejudices, in 4. (AP)

• The four largest U.S. cigarette companies, Philip Morris, R.J. Reynolds, Lorillard and Brown & Williamson, have agreed to help establish a \$5.15 billion trust fund to help tobacco farmers who face a shrinking market because of the industry's settlement with states, an attorney for the industry said. (AP)

• The cars of people arrested on drunken driving charges in New York City will be seized on the spot and later forfeited if the drivers are convicted, the city police commissioner, Howard Safir, announced. (NYT)

• One year after the Immigration and Naturalization Service pledged to reduce the backlog of almost 2 million people waiting to become Americans, the agency has said it will hire 300 more people and create a national hotline to help prospective citizens. (NYT)

• The seven surviving Texas octuplets are making slow but steady progress and should be able to join their mother at home in March, doctors at Texas Children's Hospital in Houston said. (Reuters)

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Pina Rosenblum, "the most famous girl in Israel," is jumping into the country's election free-for-all.

## As Israeli Politics Opens Up, Ex-Beauty Queen Joins the Party

By Deborah Sontag  
New York Times Service

JERUSALEM — A former model and successful cosmetics company owner, Pina Rosenblum is an Israeli sex symbol, tall, leggy, blonde, glamorous and independent. She is also a new political party.

Entering the mad and volatile race to form the next government, Ms. Rosenblum has gone beyond throwing her hat in the ring for a seat in Parliament. She has founded a movement based on herself and her ideas, and registered as a party.

And Ms. Rosenblum is not alone. In what some see as a breakdown of the Israeli political system and others herald as a fresh new political dynamism, this election has become a free-for-all for new, narrowly cast parties — parties

built on personalities, on single issues, on ethnicity, on gender and on spiritual matters.

Since the rightist coalition government of Prime Minister Benjamin Netanyahu was dissolved in late December, more than a dozen parties have entered the political game, which has traditionally been dominated here by two parties: Labor on the left and Likud on the right.

Among the newest parties, there is one representing Russian immigrants (the second such) and one representing Moroccans (the third). A new Arab Union party joins two other Arab coalitions, while the first Romanian party, whose platform includes a demand for a Romanian-language cable television station, has emerged.

There is a pro-gambling Casino Party, a pro-marijuana Green Leaf Party and a

pro-meditation Natural Law Party. There is a gray power party, representing the elderly, and two new green power parties, defending the environment. Ms. Rosenblum's party is one of a kind.

"I called it the Pina Rosenblum Party," said Ms. Rosenblum, who is doing remarkably well in the polls, "because every child and every grown up in this country knows Pina Rosenblum cosmetics and Pina Rosenblum pantyhose and Pina Rosenblum herself. For 25 years, I have been the most famous girl in Israel."

The multiparty system is not new; it is the continuation of a trend that began in the 1980s. But the power of the smaller parties grew exponentially after the last elections, when, under an electoral reform, Israelis were able for the first time to split their vote, casting one vote for

prime minister and another for a party slate for Parliament.

As a result, the two large parties grew smaller, and the small parties grew larger, creating a particularly fractious Parliament with 11 parties, several of which developed the art of holding national legislative hostage to specific interests.

In the next elections, the two major parties, which have been undergoing identity crises, are expected to lose even more seats. And political analysts have predicted that as many as 19 parties will win a place in Parliament, creating a legislative body that is even more unruly than the current one.

"What lies ahead is a potentially quite unstable situation," said Yaron Ezrahi, a political scientist and fellow of the Israel Democracy Institute. "Consensus will be still more difficult to reach, and the

collective spirit of the nation is likely to fragment even further. Everyone will be out for himself."

To obtain a place in Parliament, a party must draw at least 1.5 percent of eligible voters, or about 65,000 votes. This does not seem insurmountable to those like Ezrahi, a gambler whose new party seeks to push Israel to emulate the success of the Palestinian Authority's casino in Jericho, or Avraham Avnion, whose Moroccan Party wants to obtain for former immigrants from North Africa "all the benefits that the Russians receive."

Emboldened by a sense that the political landscape is opening up, the newest parties include several disaffected former members of Labor and Likud. Two new rightist parties have sprung up for those who think that Likud has gone soft on the Palestinian issue.

Ms. Rosenblum, 44, is a phenomenon that no one is underestimating.

The daughter of an Iraqi immigrant, she grew up very poor in a town outside Tel Aviv. After winning a beauty contest at 17, she became Israel's best-known fashion model. At 25, with a \$10,000 loan from a friend from New Jersey, she started a cosmetics line named after herself, which grew into a large company.

"I achieved this dream and gave much pride to women," she said. "People admired me because I grew up in a shack, and then I built everything all by my hand. One time on TV, they asked me when I'm going into politics. I said maybe the year 2000. And the people, they jumped on my remark. I got letters from all over the country. They wanted a new face, someone who started from the bottom and raised herself up."

"I decided to take the step," she added. "And I made my own party because I'm very independent and by myself, I will have more power."

### Aide Fails to Register

Prime Minister Netanyahu's popular defense minister, Yitzhak Mordechai, did not register for primaries in the ruling Likud party by Friday's deadline, fueling speculation that he will leave the party and join a new centrist grouping. The Associated Press reported from Jerusalem.

A defection by Mr. Mordechai would be a severe blow to Mr. Netanyahu's chances to get re-elected May 17.

## Kosovo Monitors Find That 45 Killings Were Revenge by Serb Forces

By Jane Perlez  
New York Times Service

WASHINGTON — International monitors who discovered the bodies of 45 ethnic Albanians shot execution-style have concluded in their official report that the attack in the Kosovo village was an act of revenge by Serbian forces for the killing of four of their men.

The report, which has not been made public, described a scene of bodies with wounds from gunshots at close range and in some cases at "extremely close range" in the front, back or top of the head.

The monitors, who were on the scene

immediately before and after the massacre, concluded that "the facts as verified by the Kosovo Verification Mission include evidence of arbitrary detentions, extrajudicial killings and the mutilation of unarmed civilians of Albanian ethnic origin by the Yugoslav Army and police."

The monitors' report, written chronologically from Jan. 8 to Jan. 16, the day after the killings, listed each body found at the site, saying, for example, "One adult male killed outside his house. The top of his head had been removed and was found approximately 15 feet away from his place of death. The wound appeared to have been caused by an ax but may have been from a bullet."

The report said one 12-year-old-boy had been shot in the neck and one male teenager had been shot in the abdomen.

The discovery of the massacre on Jan. 16 and the immediate assertion at the scene by a senior U.S. diplomat that Serbian forces had been responsible for the killings led to the current crisis within the administration of President Bill Clinton and the North Atlantic Treaty Organization over what to do about the separatist province of Kosovo.

Yugoslav officials have asserted that the slain ethnic Albanians were combatants and that their bodies were taken to one spot by other ethnic Albanians to create the appearance of a massacre.

The circumstances of the massacre were further inflamed when the Serbs accused William Walker, the American diplomat who heads the teams of international monitors for the Organization for Security and Cooperation in Europe, of being a stooge of the ethnic Albanians.

The account of the killings, entitled "Special Report: Massacre of Civilians in Racak," was written by monitors of the European security organization's Kosovo Verification Mission and has been given to diplomats from the 54 member countries. More than 700 unarmed monitors were placed in Kosovo after a cease-fire agreement last October.

Details in the report were elaborated on in an oral presentation by a German diplomat, Bernd Borchardt, who was at the scene of the slayings.

Mr. Borchardt, deputy head of the human rights mission of the European security organization in Kosovo, told diplomats in Vienna that the victims were "bumble bees," many of whom were dressed in rubber boots. He said that the male victims were not dressed in heavy boots used in military action.

In their report, the monitors said that after a "well-prepared ambush" by ethnic Albanian guerrillas that left four Serbian police officers dead, Serbian forces started moving armored vehicles into the area of Stimlje, near Racak.

On the day of the massacre, Jan. 15, the monitors were prevented by Serbian forces from entering Racak but could see houses burning there.

Late in the day, the report said, a patrol car of monitors drove into the village. The monitors saw one dead Albanian civilian and five wounded people and heard reports that 20 males had been taken away by Serbian forces. The monitors had to leave because darkness was falling, the report said.

The next morning several teams of monitors returned and heard accounts from survivors who said that after artillery attacks by the Yugoslav Army and Serbian police, Serbian security forces entered the village. Some were dressed in police uniforms, and others were in black uniforms and ski masks.

The witnesses said they recognized some of the police as being from Stimlje. They also said that the some of the "assaulters" were Serbian civilians dressed in police uniforms.

The bodies of 23 men "of various ages," last seen alive when the police were arresting them, were found on a ridge behind the village, the report said. The bodies of four other men were found in a ravine near the village. They apparently were shot while trying to run away. The bodies of 12 other men and the 12-year-old boy were found in various places within the village, including in some homes.

Some families retrieved the bodies of their relatives and brought them inside, the report said. The bodies of five other adults had been taken by family members to nearby Malopolje.

Mr. Walker arrived at the scene at 1 P.M. on Jan. 16. By that time, the Serbian forces had left and there was a "heavy presence of uniformed KLA in the village," the report said, referring to the Kosovo Liberation Army. The guerrillas, who were agitated and in a vengeful mood, were advised by Mr. Walker to exercise restraint, the report said.



Sailors working aboard the U.S. aircraft carrier Enterprise in the Adriatic Sea on Friday. NATO is sending warships to the area in response to Slobodan Milosevic's refusal to back down in the Kosovo crisis.

## Intel Chip's Security Feature Raises Privacy Concerns

By Elizabeth Corcoran  
and Robert O'Harrow Jr.  
Washington Post Service

WASHINGTON — Privacy advocates are voicing criticism of plans by Intel Corp. to introduce personal-computer chips that can transmit unique identification numbers when on-line.

The signals, which are intended to protect electronic transactions, are drawing criticism because they will also help marketers track consumers' every move in cyberspace.

The technology is built into Intel's new Pentium III microprocessors, which are scheduled to go on sale in the next few months and will quickly be incorporated into new computers on store shelves.

Affirming who is who on-line is a key problem that must be solved to make electronic commerce blossom. Executives at Intel described the technology as an important step in that direction. In essence, the new chips will transmit an identification number that World Wide Web sites can use to guarantee that a machine really belongs to its purported owner — that Jane's computer really is Jane's computer.

Privacy experts worry that the feature will force consumers to leave an identifying mark wherever they go on-line.

"It's the computer equivalent, if you will, of Social Security numbers," said Barry Steinhardt, associate director of the American Civil Liberties Union.

Here is how it would work: Whenever a computer that has the new Intel chip is

### From Information Highway to the Roadway, a Similar Worry

Washington Post Service

WASHINGTON — For the first time since authorities began requiring photographs for drivers' licenses, officials in several U.S. states have begun selling the images wholesale, in another example of the growing availability of rich troves of personal information via modern technology.

In the last several months, South Carolina has released 3.5 million digital photographs, Florida has started the process of transferring 14 million images in its files and other states have expressed interest in doing the same thing.

The buyer is Image Data LLC, a small New Hampshire company that wants to build a national database of photos and personal information to help retailers prevent identity theft — a fast-growing crime in which fraud artists use a victim's personal information to run up bills in their names or to empty their bank accounts.

Image Data's computers can flash the photo of a person

named on a credit card or a check to a small screen near a cash register when a transaction begins. Company officials say the service could head off billions of dollars in fraud by giving clerks an instant, tamper-proof way to verify the identities of customers.

Some critics worry that Image Data's plans will create a sense of unwanted surveillance for many people. Privacy activists fear that once photographs are released by authorities in digital form, they will be used for other purposes, by private detectives or telemarketers that want to match a face to other personal information.

"It contributes to an atmosphere where people feel they are being watched," said Robert Smith, publisher of the Privacy Journal. "What you create is a ming file of law-abiding citizens."

Consumer advocates complain that drivers in Florida and South Carolina were not asked permission for their images to be sold, even though those states had long restricted access to such photos.

turned on, the machine will automatically pump out a unique serial number if the computer is connected to the Internet or another on-line network.

Intel will not keep a record of such serial numbers, said Patrick Gelsinger, vice president and general manager of the desktop products group at Intel. But when the consumer ventures into cyberspace, Web sites will be able to receive that number.

If the site has required that the person "register" and provide details such as name, address and other information, the

Web site will have an easy way of tracking what the visitor does on-line.

Still, consumers will be able to shut off the identifying number, Mr. Gelsinger points out. Intel has written software that will let people know when their PC is sending out its serial number by displaying a "#" mark. And there will be a control panel that lets people turn off the signal as easily as they can change the background "wallpaper" on their computer displays.

Mr. Gelsinger said unique on-line serial numbers for PCs had a number of

advantages, and that computer and software makers had asked Intel to create such numbers for several years.

Among those advantages, Mr. Gelsinger said, is improved ability to identify the author of on-line content, as the computer would insert the ID number into it. In addition, such ID numbers might reduce anonymous pests on-line, by, say, stopping people from getting into chat groups unless they were willing to be identified. Likewise, an ID number could provide added security for financial transactions.

## PLANE: Rollout of 'Stealth' Fighter Was Only a Russian Bluff

Continued from Page 1

The plane on the tarmac, he noticed, lacked radar-evading stealth characteristics. For example, he knew that stealth technology required hiding the air-intake, to achieve the smooth edges that evade radar. But the plane on the tarmac had large, angled air intakes that could easily show up on radar. It did not have other stealth characteristics; for example, it lacked a special radar-absorbing coating, or hidden places for the weapons.

A Western expert who saw the pictures of the plane on the tarmac said, "The visible structure was not new." In fact, according to Mr. Zhilin and others, the plane on the runway was built years ago to test the prototype engines for a new fighter.

It was a flying laboratory for the engines alone, not a combat plane, Mr. Zhilin said.

On the Russian television news that evening, there were no questions asked about the great advance in Russian military aviation. The news reports, showing the plane on the tarmac, told of the first glimpse of the MFI, the Russian acronym for multifunction, front-line fighter.

"According to experts, it can attack up to 20 targets simultaneously," the Russian news agency reported. Mr. Sergeyev was quoted by Interfax as saying that the new fighter was better than anything in the Russian Air Force and was "not inferior to the most advanced Western models."

"BLUFF" was the headline over Mr. Zhilin's article saying that the whole ceremony had been for a plane that does not yet exist. The Western expert agreed, saying it was "industry hype."

In fact, the Soviet Union did begin a fifth-generation stealth fighter project in the early 1980s. It was given the code name Project 142, and planned to be a 30-ton, twin-engine, single-seat plane capable of flying more than twice the speed of sound. On the drawing board, at least, the \$70 million fighter was to have thrust-vector ring engines allowing it to

make tight turns at any speed. But Project 142 ran into financial trouble. It was frozen in 1994, and supposedly terminated in 1997. Some mock-ups and parts of the plane reportedly exist at the design bureau that worked on it.

Russian officials have hinted at air shows that Project 142 was never fully canceled. But Mr. Zhilin said "The program has stopped." He said his sources were workers on the real stealth plane who were angry about the ceremony.

In test the supersonic engines, Russian designers built a test plane designated Project 144. It was the one that was rolled out on the tarmac, Mr. Zhilin said, recalling that he had seen the same airplane two years ago in a hangar.

Mr. Zhilin speculated that what he called the "bluff" had been carried out to cover up financial misdealings in the aerospace industry. He said some officials were questioning whether government money for Project 142 had disappeared.

The MiG company has been stung by the disclosures. In response to questions, a spokesman, Sergei Samatov, said Mr. Zhilin's claims "are not true to reality, to put it mildly." He added the fighter "is not a bluff and it is practically ready for the first flight that will happen in March 1999."

But another official acknowledged that the plane that was rolled out on the runway was in fact the engine-testing model, a far cry from the stealth version.

Anatoli Kvachur, deputy head of the Gromov flight-test institute, said that the test plane was "roughly speaking the first flying model" of the stealth. "Naturally," he said, "the plane will be different, it will have a different wing, but it will happen after a certain stage of flying tests."

"This country needs such a plane," he said. "Whether our budget can afford such a plane is a different thing."

French nationals in Republic of Congo. A French gendarme was shot to death as he stood guard at the French Embassy in Brazzaville. French military officials said he was killed outside the main gate while trying to stop about 20 gunmen who were attacking the embassy.

Aid workers said fighting had engulfed several districts of the city. Shelling has been coming from the city center toward the southern suburbs of Makellele and Bacongo, strongholds of Bernard Kolelas. The militia of the exiled prime minister has been fighting pro-government forces for months.

## Congo Refugees In Rebel Region Will Get UN Aid

The Associated Press

GOMA, Democratic Republic of the Congo — The United Nations announced Friday that it would begin caring for hundreds of thousands of people displaced by war in eastern Congo, lifting a financial burden from rebel leaders.

Authorities in the capital, Kinshasa, had previously rejected UN plans to bring badly needed food and medical supplies into eastern Congo from neighboring Rwanda and Uganda.

President Laurent Kabila accused the two countries of invading Congo in support of the rebels and demands their pullout.

Charles Petre, a senior UN humanitarian adviser, said after meeting with rebel leaders that both the government and rebel authorities had been informed of UN impartiality in the six-month civil war and that aid would soon start flowing into rebel-controlled territory.

"We are not asking for anybody's permission. This is the emergency humanitarian assistance, and we understand we have cooperation from both sides in achieving our objectives," he said.

The aid will include everything from food, medicine and plastic sheeting for the hundreds of thousands of displaced people to agricultural tools. Foreign donors have already earmarked funds.

According to UN estimates, at least 235,000 people have been displaced in the region.

مركز الأمل

## BRIEFLY

The commission exonerated the government, which had been accused by several opposition politicians of pushing to open airport too early so that the opening ceremony could coincide with the first anniversary of Hong Kong's return to China and a visit by President Jiang Zemin.

After interviewing 56 witnesses and combing through 800 boxes of evidence, the commission declared there was no evidence "to indicate that the decision was made with any political or ulterior consideration."

That provoked howls of criticism from opposition leaders here, who criticized the report as a "whitewash" and said the commission had not investigated the motives behind the government's decision to open the airport in July.

"It was not a question of the airport managers' being over-confident," said James To, a pro-democracy member of Hong Kong's Legislative Council.

"They all understood that this deadline could not be changed."

Other observers said they were troubled by a 702-page report, the only people criticized by name were four airport executives of Hong Kong's Airport Authority, three of whom are expatriates and none of whom are Chinese.

Among those harshly faulted are Henry Townshend, an American engineering executive who was the airport's chief executive, and Douglas Oakervee, a British construction expert who was the project manager. Both men have since retired, and they could not be reached for comment.

The commission did not single out either the chairman of the airport's board of directors, Wong Po Yan, or the chief secretary of the Hong Kong government, Donald Tsang, who had no direct responsibility for the project and presided over the committee that set the July opening date.

It's easier to point fingers at the

expatriates," said Albert Cheng, an outspoken radio commentator. "They're already paid off and gone. You don't want to embarrass the people who are still in power."

Mr. Cheng and other critics said that since the handover, the government has shown a predilection to pin Hong Kong's problems on foreigners. In August, when it intervened to stop a group of stock market, the government blamed overseas hedge funds for attacking its currency and stock market.

It is not the first time the airport has been a symbol of misunderstanding between East and West. Britain conceived the project, which is built on reclaimed land off a nearby island, about a decade before the 1997 handover. But its vast size angered Beijing, which suspected the colonial administration was trying to deplete Hong Kong's treasury before it relinquished its position.

The chief executive of Hong Kong, Tung Chee-hwa, defended the resort

Friday as fair and unbiased. "It named the people because the commission thought it was important to name the people," Mr. Tung said at a news conference after the report was released Friday morning.

Still, Mr. Tung said the government ought to shoulder some blame for the fiasco.

"When the airport began its operations, everyone in Hong Kong had great expectations," he said. "We were all let down very much and the disappointment that was felt by everybody was overwhelming."

Obscured by all the apologies and recrimination is one happy bit of news: The Hong Kong International Airport has recovered from its hapless start to win enthusiastic praise from travelers.

Cargo — human and otherwise — moves through the mammoth complex smoothly, and a local magazine recently rated it as one of the premier airports in the world.

GENEVA — Negotiators from North and South Korea, the United States and China wrapped up their fourth round of peace talks Friday with signs of only slow progress toward easing tension on the divided Korean Peninsula.

The delegations said they had "useful, productive discussions" during their four days of talks and would meet again in mid-April.

A joint statement said that agreement had been reached on procedures for two working groups, which are discussing how to reduce tensions and put in place a permanent peace to replace the armistice.

The four-party talks started in December 1997 and have been largely devoted to procedural wrangling. The process of replacing the armistice that ended the 1950-53 Korean War with a formal peace treaty is expected to take years.

(AP)

## Macau Bomb Kills Man at Tourist Site

MACAU — A Macau man died Friday and two other people were wounded when a homemade bomb exploded at the historic, sightseeing spot in the latest incident of violence in this Portuguese enclave.

Police said the three were caught in the blast after two men threw a bomb at a van parked near the famous Ruins of St. Paul in the center of Macau. All three were Chinese residents of Macau.

The motive for the attack was not known, and no one was arrested.

Chinese sovereignty over mainland Macau reverts to mainland China tomorrow on Dec. 20. Beijing has said it will station troops in the territory to maintain law and order. (AP)

**CANBERRA** — Australia has the highest incidence of skin cancer in the world and rates of melanoma are continuing to rise, a new study reported Friday.

The Australian Institute of Health and Welfare study found that the rates of skin cancer are rising in Australia despite campaigns to get people to stay out of the sun or use proper protection when they are outside.

Queensland reported the highest incidence rate for all cancers, including melanomas. (AP)

**BOMBAY** — Cricket players from Pakistan flew into New Delhi amid heavy security only hours after Hindu militants called off a violent campaign that had tried to stop their tour.

Political tensions have prevented cricket teams from Pakistan and India from playing in one another's countries since 1987. (AP)

**By Julia Preston**  
*New York Times Service*

**MEXICO CITY** — After a tangled four-year trial, **Raul Salinas de Gortari**, the brother of Mexico's former president, has been convicted of ordering the 1994 assassination of a prominent politician and sentenced to 50 years in prison.

It was a stunning verdict that shattered the impunity that has shielded powerful Mexicans for decades.

The judge's decision Thursday was widely considered to be the most important criminal verdict in modern Mexico. It is the first time that a close relative of a figure as powerful as the former president, **Carlos Salinas de Gortari**, has faced punishment for a serious crime.

"This breaks all the precedents," said Sergio Aguayo Quezada, a historian. "Raul Salinas is a symbol, the brother of one of the strongest presidents Mexico has ever had. The judge's decision gives an enormous boost to the independence of the justice system."

But while strengthening Mexican justice, the case — which was marred by missteps, coercion and manipulation by prosecutors — also exposed the system's disarray.

Raul Salinas was condemned mainly by hearsay evidence, with the judge admitting there was no "direct proof."

The verdict is likely to remain clouded by doubts over whether his trial was a fair one. An appeal is already planned.

Raul Salinas was found guilty of being the intellectual author of the daylight assassination on Sept. 28, 1994, of Jose Francisco Ruiz Massieu, who was then 48 and a fast-rising star in the political party that governed Mexico for most of this century.

The case became a mesmerizing drama, which divided families and exposed the bizarre cunning and intrigues on the inside of a long-stable political system that was in decline. The murder charges against Raul Salinas did much to destroy the image of his brother Carlos Salinas, who had been celebrated as a visionary modernizer when he was president for six years until December 1994.

The former president now lives in

exile and has not been implicated in the homicide.

Prosecutors have charged that the victim, who was a former brother-in-law of the Salinas brothers, was also betrayed by his own brother, Mario, 49, who was the first prosecutor to investigate the shooting and who was appointed by Carlos Salinas.

Mario Ruiz Massieu stands accused in Mexico of torturing witnesses and suppressing evidence to conceal the role of Raul Salinas in the plot to kill his brother. Mario Ruiz Massieu has denied the charges.

As the Salinas family's popularity plummeted, prosecutors persuaded judges to hold Raul Salinas since his arrest on Feb. 28, 1995, in an isolation cell in Almoloya prison, Mexico's most severe maximum security penitentiary, even though he had not been convicted of any crime.

Mr. Salinas protested his jail conditions to Mary Robinson, the United Nations high commissioner for human rights, and she agreed to examine the case.

Under Mexico's justice system, there was no jury trial or courtroom questioning of witnesses. The trial was conducted by building a written record of

**By Nicholas Wade**  
*New York Times Service*

**NEW YORK** — In a bizarre experiment that demonstrates the surprising plasticity of animal cells, scientists have converted mice's brain cells into blood cells.

The transformation has medical significance because if the human body's tissues should prove to be as interchangeable, patients' tissues might be repaired from their own cells.

The mouse result was obtained with neural stem cells, cells that have the ability to form the three main types of cell found in the brain. Each organ of the body is thought to have its own brand of stem cells that generate all the

organ's specialized cell types.

But until now, the stem cells were thought to be committed to their own organ type and unable to cross over.

A team of Italian and Canadian scientists, led by Dr. Angelo Vescovi of the National Neurological Institute in Milan, has now found that the neural stem cells can metamorphose into the blood-making stem cells of the bone marrow.

Dr. Vescovi's team gave mice sublethal doses of radiation to destroy their own blood-making cells, and then injected neural stem cells from other mice whose cells carried an identifying genetic tag. The neural stem cells found their way to the mice's bone marrow and started pro-

**New York Times Service**

**JAKARTA** — Forty foreigners, including 20 Americans, have arrived safely in the northern Australian city of Darwin after fleeing riots on the Indonesian island of Ambon that have claimed at least 40 lives — the worst violence in Indonesia since May.

Australian immigration officials said evacuees from the Summer Institute of Linguistics, whose work includes Bible translation, arrived in Darwin on board two charter aircraft.

"There's rioting, burning, looting — some people died," an American said in a telephone interview after arriving in Australia.

Four days of rioting between Christians and Muslims have claimed at least 40 lives, about double the official estimate, said a priest living in Ambon, the Reverend Frans Luthermas.

The police said more than 100 people have been injured, 88 homes destroyed and three mosques and three churches burned. Vehicles and shops have also been torched.

A night curfew has been imposed on the eastern city and some 2,500 soldiers and police have been deployed to restore order.

Military officials said more than 4,000 terrified residents had sought shelter in police and army compounds in Ambon after the riots erupted Tuesday following an argument between a drunken man who tried to extort money from a taxi driver.

In his first response to the Ambon violence, President B.J. Habibie said on Friday that the city was secure. "The armed forces commander has reported that the situation in Ambon is quiet," he said, adding that discussions among religious and public figures had helped calm the tension.

On the island, the airport remained closed and large areas of the city were without power.

Ambon, 2,300 kilometers (1,350 miles) northeast of Jakarta, is the provincial capital of Maluku, formerly known as the Spice Islands or Moluccas.



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## Mary, pray for us. Amen. Day this prayer will be

# ART

## Nouveau Collecting

### An Obsessive Love

By Rita Reif  
New York Times Service

**N**EW YORK — In 1972, Robert Schreiber, a New York entrepreneur, moved to Stockholm to sell flycatchers and bell-bottom jeans to descendants of the Vikings. His business flourished over the next five years, and he spent most of his profits on Art Nouveau objects.

"Galle lamps and Tiffany ceramics were my weaknesses," he said. "But I couldn't afford expensive Art Nouveau. So I bought as many of the less costly Swedish turn-of-the-century porcelains by Rorstrand that I could find."

Schreiber chose to collect — obsessively at times — Rorstrand's frosty looking porcelains, decorated in relief with pastel images of insects, marine life and flowers. He began with a bad vase, a gift adorned with an image of Sweden's St. Nick, a pensive figure with a glorious white beard and red hat called Jultomten.

"The vase had that cold Yule look, snow dripping on the old man on the front and on the fir forest on the back," Schreiber said. "I just knew I had to have more examples of these porcelains."

Today his collection of 150 Art Nouveau Rorstrand vases, bowls and jardinières is described by experts as the largest and most important anywhere. A selection of 86 pieces is now on view in "Rorstrand: Swedish Art Nouveau Porcelain" at the American Craft Museum, in Manhattan through May 23. The show was seen in a different version last year at the National Museum in Stockholm.

Before Schreiber bought anything, he visited the Stockholm museum to familiarize himself with the best pieces made by Rorstrand in this style. He was struck by five splendid floral decorated vases on display, but such masterworks were impossible to find then in the marketplace. So he bought only, as he put it, "on visits to the homes of friends' grandmothers."

Once the style became more popular in the late 1970s, the pace of his buying quickened. To finance his collecting, he became a private dealer, selling pieces from his collection to art dealers like Lillian Nassau.

"I've always been an over-bought collector," Schreiber said. He collected stamps and campaign buttons this way as a boy. He also over-bought as an



Detail of a vase with dragonflies, by Karl Lindstrom circa 1905.

adult, when he focused first on cigarette lighters and later switched to ceramics: Rorstrand porcelains, Rookwood pottery, Tiffany earthenware and Swedish Art Deco stoneware by Gustavsberg.

While its porcelain is now considered a high point in the Rorstrand company's history, the factory began late in producing this material. Founded in 1726 at Rorstrand Castle in Stockholm, it was called the Swedish Porcelain Works. (It's now a division of the Hackman Group of Helsinki, a Finnish conglomerate.) The ceramics made there were delicate earthenware and, briefly, faience, or soft-paste porcelain. The factory began producing Art Nouveau porcelains, mostly in limited editions, after 1897.

Rorstrand's porcelains are far less sinuous in form and sinistral in motifs than the most expressive works by the French and Belgian Art Nouveau artists. The Swedish pieces incorporate familiar Art Nouveau images (dragonflies, swans, water lilies and anemones) as well as those of Swedish flora and fauna (sweet peas, thistles, star fish, salamanders, crabs and walrus).

Rorstrand's artists designed pieces that were in the more abstract Arts and Crafts mode as well as the free-flowing Art Nouveau style. Ruben Rising

did both on different vases, using sweet peas to form a spiraling pattern and to shape a curvy mouth. Algot Eriksson opted for the undulating line. He pinched the neck of a delicate white vase to create a mouth that resembled a blossoming flower.

**T**HESSE effects, devised under Rorstrand's director, Robert Almström, and chief designer, Alf Wallander, helped restore craftsmanship to the industrial process at the turn of the century. Artists were made part of the creation of these porcelains from the first sketches to the final glazes.

"The Rorstrand works were closer to studio works than factory-made products," said David Revere McFadden, chief curator of the American Crafts Museum. "This focus on process, even in factory settings or large studios, has been emphasized by this museum since its founding — in the landmark Louis Comfort Tiffany exhibition of 1958 and the Frank Lloyd Wright show of 1992."

The exhibition and a companion show of 20th-century Sevens were organized to reflect this thinking by McFadden. They are the first exhibitions organized by him since he joined the museum in late 1997.

## Melding Light and Rhythm

### Beyond Impressionism, a New Image of Monet

By Souren Melikian  
International Herald Tribune

**L**ONDON — This should be the Millennium Art Show. "Monet in the 20th Century" is one of the greatest painting exhibitions ever.

Paul Tucker of the University of Massachusetts, the mastermind behind it, and Norman Rosenthal, director of the Royal Academy, who put him up to it, have pulled off the most difficult of all tricks in the show (until April 18). In admirable sequences, 83 pictures — of which 21 are borrowed from private collections — project a radically new image of an artist so famous that any idea of making discoveries seemed preposterous.

Forget Monet the Impressionist with his sunlit gardens and misty harbors, blurred but identifiable. Meet Monet the inventor of light and rhythm, freed (almost) from the burden of subject matter that serves as an excuse.

Right from the beginning the visitor becomes aware that the motif no longer has much relevance. One of the first pictures, "The Garden," done in 1900, is a rhythmic pageant of purple dabs (lilies) slanting across the composition under a shower of red and green strokes. On loan from the Ralph T. Coe Collection, the landscape is virtually unknown.

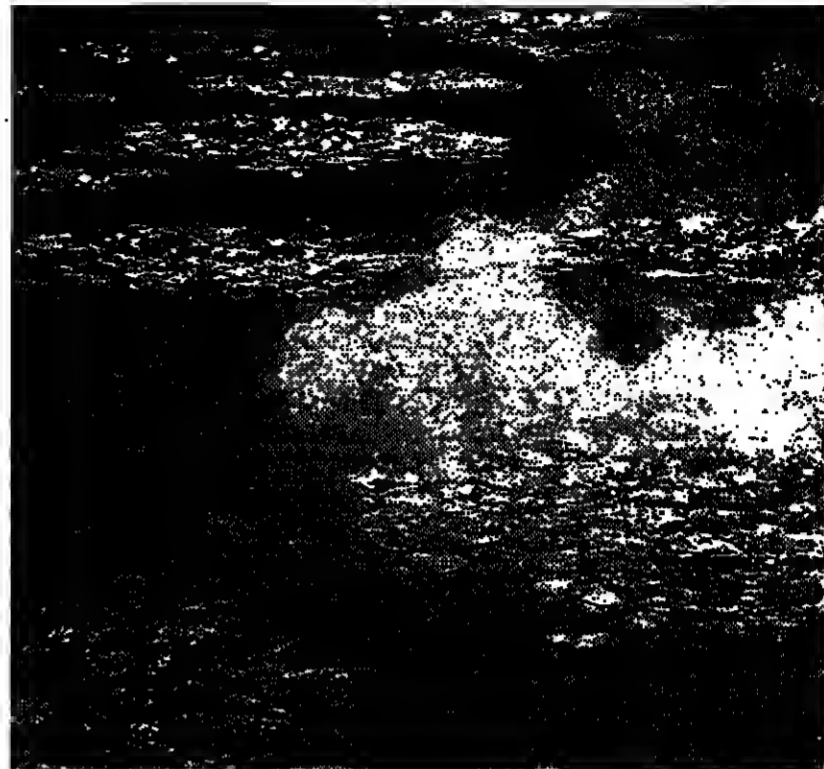
Next to it, the same garden, almost the same flowers are seen in more abstract groupings of purple pink, carmine red and orange dots. Symmetry changes everything. Only the path identifies the composition as a garden through a criss-cross of shadows. In both, what matters is the rhythm and the coloristic notions that sustain it.

Nearly, views of the Japanese bridge in the painter's garden, including the unforgettable Art Institute of Chicago version with its grayish-turquoise water lilies in the foreground, make the point that as an innovator in elaborate composition, Monet could not have been greater at the very moment when he was about to turn his attention away from structure and perspective.

The London bridges painted in 1902 and 1903 point to new preoccupations. In the 1890s, Monet still attempted to catch the variations of light in a landscape or a facade, accompanied by changes in the density of detail. Now, the artist seemed eager to get as close as possible to the point where the scenery melts down.

It might be the effect of a pale luminous haze under a wintry sun blurring the edges, flattening the relief as in the 1903 "Waterloo Bridge" from the McMaster University Collection in Hamilton, Ontario. Or it could be the result of light receding, about to vanish altogether, as in the National Gallery, Washington, view of 1904, where the bluish-green pall of dusk covers up everything, pierced only by flash points and ill-defined shadows.

With the "Houses of Parliament," Monet had one last fling with the Romanticism of his earlier days, when he would paint such somber misty harbor views as his famous 1872 "Impression, Sunrise." But even here, the transformation is radical. Gone is all detail. The neo-Gothic towers rise like shapes remembered from a dream. They may be floating in purple darkness as in the poetic view of 1900-1901, on loan from a Japanese collection, or set off by a red blaze in the sky and its fiery reflection in the sea as in the Turner-influenced masterpiece from the Kunsthhaus, Zurich.



"Water Lilies," 1907, oil on canvas by Claude Monet.

That was nearly the end of open landscape painting for Monet. Henceforth, he would gaze at nature refashioned in his garden at Giverny to serve as a guide to his colored dreams.

The pond and its floating islands mesmerized Monet. He painted 48 "Water Lilies," of which 23 are in the show, in sequences that take the visitor on a trip through the artist's search for abstraction. A succession of square formats hung with an impeccable sense of rhythm gives the viewers the feeling that they are zooming in on the pond and then step back. In the process, the eye takes in details that could be easily overlooked out of context. In the admirable Denver Art Museum picture, the oval clusters of blossoms suggested in quick color dabs are carved in the impasto. All around, the green, black and maroon reflections shimmer with the dark silkenness of water mirroring the sky.

**N**EARBY, a water lilies view from an American private collection has the appearance of a close-up. Yet, instead of being precisely delineated, the lilies are, if anything, more elusive. Wavy reflections, presumably of unseen trees, enhance the feeling of mystery.

A year later, Monet went one step further in his exploration of abstraction in square format. In the Worcester Art Museum "Water Lilies," pale yellow wisps hover in the upper corner right as almost-green and lilac oval patches float below to the left. The subject can be recognized, but is of no consequence.

Did the mist encircling Mount Fuji and the water lilies of their Buddhist monasteries make the Japanese more receptive than others to the poetry of Monet's achievements as he moved further away from figurative? The superior picture here again comes from Japan — the little-known Maspro Denkoh Art Museum outside Nagoya. A golden yellow haze comes down, traversed by a paler stream that widens into a toned lilac expanse punctuated by six carmine-red buds.

Or is it a greater aptitude at dreaming wild dreams shared with the Scandinavians? In a series of vertical "Water Lilies" done in 1907, water cascades down like a stream of fire leaping between rock beds. Here, the winners are the Gothenburg Museum of Art in Sweden and the Bridgestone Museum of Art run by the Ishibashi Foundation in Tokyo.

So powerful was the hold of abstract stylization on Monet by 1908 that when he endeavored to take interest in the views of Venice, where he spent a few months with his second wife, it was almost beyond him. In the Grand Canal view from the Brooklyn Museum of Art, the reflections in the sea handled like a counterpoint in colored lozenges take precedence over monuments.

Monet returned to more important subjects: water, lilies, reflections in his pond. Some of his experiments attained an astounding modernity. Again, it took Japanese eyes to perceive their most advanced boldness. The "Water Lilies" of 1914-1917 on loan from the Asahi Breweries could be the work of some New York artist of the 1960s — if such a talent existed there in those years.

Yet, even this pales by comparison with the visionary abstractions by Monet in his old age. The artist was in his eighties when, returning to his Japanese bridge, he saw it as a myriad of green and white dots through which darker green arcs span some ill-defined space. This masterpiece, never exhibited before, is now in a European private collection. In another version lent by the Philadelphia Museum of Art, the bridge has become an abstraction in red, gold, orange and green with a different rhythm.

A weeping willow inspired a masterpiece, again virtually unknown (private collection, no location given), in which one trunk can be made out amidst a forest of dark colored streaks, while "A Path Under Rose Arches" altogether defies identification. It is an abstract vortex of colored strands. Monet? The stamped signature vouches for it. But who would guess it?

## BOOKS

### SWEET CHAOS:

The Grateful Dead's American Adventure  
By Carol Brightman. 356 pages. \$27.50. Clarkson Potter.

Reviewed by Carolyn Ruff

**T**HE publishing world dumped a slew of new books about the Grateful Dead into bookstores a few years ago — even before the legendary singer of the band, Jerry Garcia, died in 1995. "With the exception of 'Dark Star' by Robert Greenfield, most of them were better left off the shelves. Carol Brightman seems to have completely missed her marketing moment with 'Sweet Chaos.'"

Unhappily by the pressure of immediate demand, Brightman has produced the most exhaustive and beautifully written book so far about the band. With insight and clarity, she captures the essence of not only the Grateful Dead, but the entire '60s era in which the band began.

I reluctantly admit I was once one of the many thousands of Deadheads following the band around the country, living within a subculture alien to most Americans. There was a period in my life when nothing brought me more joy than watching the Dead walk on stage.

Eventually I outgrew the scene and, as a reformed Deadhead, was skeptical that any book could accurately convey the unique quality of the band, let alone provide fresh material about its past.

Brightman (who won a National Book Critics Circle Award for "Writing Dangerously: Mary McCarthy and Her World") proved me wrong. "Sweet Chaos" draws on extensive inter-

views with the remaining band members Mickey Hart, Phil Lesh and Bob Weir, and other members of the Dead coterie. Brightman is clearly not a Deadhead, but as a member of the generation that came of age during the '60s she finds common ground with the band's followers.

Brightman understands that they were always much more than a rock band, but like so many — even those in the band — she does not quite know why the Dead created such a legacy.

She writes: "One cannot recreate the era out of which the Grateful Dead emerged without recalling civil rights and the Free Speech Movement, Vietnam, the Cuban Revolution, and the Weathermen." She begins her journey into the Dead's past by examining what may be the most defining characteristic of the band and its music: drugs. As with every topic she covers, Brightman doesn't settle for casual explanations. She discusses the role of Ken Kesey and the Merry Pranksters, the all-night drug parties and the alleged involvement of the CIA in introducing LSD and other harder drugs to the free spirits on Haight Street.

This book is not so much about the Dead, the reader soon learns, as about the many factors that created and sustained the band. Brightman devotes considerable at-

tention to the anti-war movements springing up on college campuses around the country, and observes that the band, like many in the counterculture, "turned, often quite consciously, to rock and roll and drugs as antidotes to the nameless horrors Vietnam evoked."

Did the Grateful Dead make a small but indelible

mark on society or did society mold the Dead? Thirty years later, this question has not been answered. But Brightman has come the closest yet to providing an intriguing glimpse into the band's mystery.

Carolyn Ruff, a writer in Washington, wrote this for The Washington Post.

## ARTS

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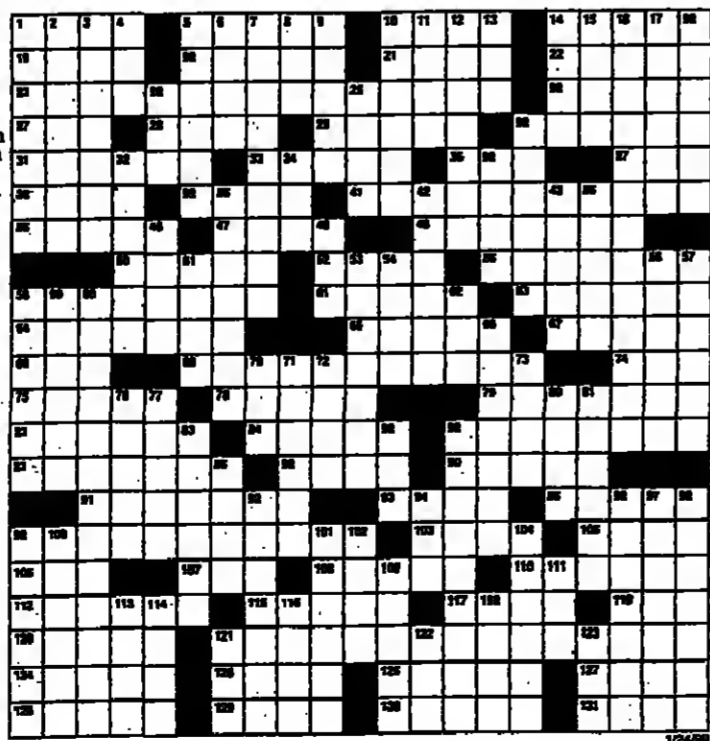
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## CROSS WORD PUZZLE By Robert Malinow

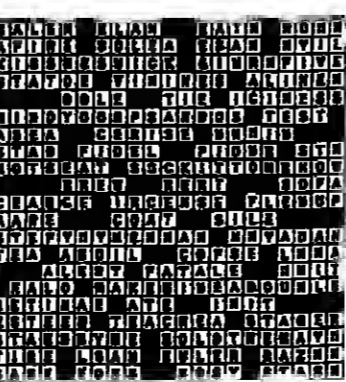
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60 Back  
62 Union opposer  
63 30's-40's  
70 It comes in black  
71 Bordeaux output  
72 Rurek's locale  
73 Turner and  
76 Oral traditions  
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80 Daredevil  
83 Attacks  
85 Blah  
86 Bob Cousy's  
88 "Phooey?"  
89 Cleanest workers  
94 It's a wrap  
96 1980 dance  
97 Biography  
98 1970's policy  
99 Actress Lombard



Solution to Puzzle of Jan. 16-17







## THE AMERICAS

## Brazil and IBM Keep Blue-Chips Down

Compiled by Our Staff From Dispatches

NEW YORK — Stocks closed lower Friday, with worries about the fall from Brazil's economic problems and sharp losses by IBM hitting the market.

The Dow Jones industrial average closed 143.41 points lower at 9,120.67, and the Standard & Poor's 500 index ended down 9.97 points at 1,225.19. Declining issues outnumbered advancing ones by a 3-to-2 ratio on the New York Stock Exchange. The Nasdaq composite closed down 5.84 points at 2,338.88.

Concerns that Brazil's economic instability and currency devaluation could weaken other countries in Latin America — a major U.S. trading partner — weighed on stocks. Sao Paulo's Bovespa stock index tumbled about 2 percent on worries about the real and the flight of dollars from the country, Latin America's biggest economy.

"Brazil is a factor," said Donald Selkin, chief market strategist at Joseph Gunner & Co. "But I don't think it is going to derail the bull market."

IBM was the biggest loser on the day, falling 17 to 180 after reporting disappointing sales of its computer servers in the fourth quarter.

## U.S. STOCKS

While the computer giant posted a 12 percent increase in earnings, most of the growth came from computer services and software products rather than in its core business.

"When IBM earnings came out good, but not spectacular, it combined with Brazil for a general reallocation," said Dan Ascani, president and director of research at Global Market Strategists.

Lucent Technologies, which on Thursday also reported strong earnings but sales that slightly disappointed

analysts, fell 34 to 103 3/16.

"When you look at stocks like IBM and Lucent, they were priced for perfection," said Jon Olesky, head of block trading at Morgan Stanley Dean Witter & Co. Investors want to see "not a hiccup, not a wrinkle."

Some Internet stocks, which fell sharply in early trading, rebounded near the close. While investors worry that the Internet stock boom will soon end, many could not resist the bargains available after a steep sell-off on Thursday.

"If you look at where prices were a few weeks ago and where they are now, of course you have people jumping in to buy them because they think they are bargains," said Barry Secman, head trader for Robert W. Baird & Co.

Amazon.com, the leading on-line bookseller, rose 17 to 123, and Yahoo!, the leading Internet search service, rose 204 to 283 1/4.

Investors also were still willing to take a chance on relative unknowns.

Covad Communications rose 27 1/2 to 45 1/2 after an initial public offering of 7.8 million shares priced at 18. The company provides high-speed Internet access over copper telephone lines.

Imagicon rose 1 to 6 25/32 after it said it expected to win a patent for its "WebZinger" Internet search technology.

In the Treasury bond market, the price of the benchmark 30-year issue rose 22/32 to 102 14/32, sending the yield down to 5.09 percent from 5.13 percent Thursday. Investors worried about the safety of emerging markets moved funds to U.S. bonds, analysts said.

"It's a safe-haven situation," said Tad Rivelle, chief investment officer at Metropolitan West Asset Management.

(Reuters, Bloomberg, AP)

## Uncertainty Hovers Over The Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was mixed against other major currencies on Friday amid investors' fears that the Brazilian financial crisis could spread to other emerging markets, forcing Argentina, China and Hong Kong to devalue their currencies.

The worries spread after comments by Barton Biggs, an analyst at Morgan Stanley Asset Management who said Thursday in Tokyo that China may be forced to devalue the yuan, and that speculators might attack the Hong Kong dollar again.

Dealers said the Biggs comments reinforced market sentiment that if

the devaluation of the Brazilian real gets out of control, other emerging market currencies are at risk.

China and Brazil are seen to have broadly similar economic problems, with large populations, rising costs and sluggish exports.

The dollar was quoted at 4 P.M. at 114.425 yen, up from 113.70 yen Thursday, but it declined to 1.3820 Swiss francs from 1.3845 francs.

The euro declined to \$1.1595 from \$1.1602, but the pound rose to \$1.6563 from \$1.6515.

Chinese unemployment is swelling, living costs are on the rise, and exports are stagnant — all reasons the country could benefit from a weaker currency.

Some economists, though, said a devaluation could do more harm than good, crippling foreign investment into China and cutting the country's purchasing power.

For Japan, a weaker yuan would make its goods relatively more expensive on world markets and could, thereby, drive the world's second-largest economy deeper into recession.

"What Japan doesn't need is stronger competition in the export markets," said Denis Gould, at Axi Sun Life Investment Management in London. "I would be surprised if China doesn't devalue this year."

Japan, meantime, insists its economy is looking up. The vice finance minister for international affairs, Eisaku Sakakibara, said Friday the country's financial crisis was nearing an end.

"Japanese banks are restructuring aggressively, and I think the Japanese financial crisis is about to end," he said. "The Japanese economy will rebound in the middle of 1999." (Bridge News, Bloomberg)

## Teenage Buyers Sour on Pro Sports Apparel

By Stephanie Stoughton

Washington Post Service

WASHINGTON — Jason Stratton enjoys watching the Denver Broncos on TV. But you'd be hard-pressed to find a shirt, jacket or hat bearing the team name in the teenager's wardrobe.

"It's too low," he explained. Like many teenagers, Jason, who lives in Alexandria, Virginia, cannot tell you why he shuns the apparel of sports teams as decidedly unhip. But it is clear he feels quite differently about his red-and-white-and-blue Tommy Hilfiger jacket.

"I just wear it just to be wearing it," the 15-year-old said.

While Tommy Hilfiger is everywhere teens are, sales of jackets, caps, and other clothing and accessories carrying the names of professional sports franchises have faded in recent years.

The rejection has hurt the leagues and some retailers. Sales of products licensed by the National Football League flattened at \$3 billion in 1998 after climbing steadily for years. Jumbo Sports Inc. recently filed for bankruptcy protection because of slumping sales in licensed team sportswear and other goods.

It is clear to those in the industry that the teenagers of the "echo boom" — the children of baby boomers — are responsible.

Gerard Taylor, the manager of Sports Maniac at Landmark Mall in

Alexandria, said most of his customers were 25 and older. The younger generation prefers to buy brand-name clothing, particularly Hilfiger designs, at other stores in the mall, he said.

"A lot of 16- and 17-year-olds are working, and they can buy Tommy and Polo clothing and Eddie Bauer jackets," he said.

The fading popularity of team apparel is a telling example of how the echo boom is starting to flex its economic muscle. The 27 million teenagers in America spent about \$141 billion in 1998.

This is something marketers have

discovered the hard way. After a long boom in sales, the NFL in 1996 began to see Tommy Hilfiger swipe some of its market share. The league is trying to entice youths back with new designs and color mixes.

Estimated sales of licensed basketball team apparel and other products dropped almost 40 percent to \$1.4 billion last year, according to License magazine, although the NBA lockout that started last summer was partly to blame.

Marketers and the leagues are particularly worried about their lost sales because research indicates that teenage trends tend to solidify rather

than shift as the teenagers head into their twenties. Teenagers also influence clothing trends for their parents and younger siblings.

Retailers complain that it is hard to figure out what teenagers want.

Peter Connolly, executive vice president of worldwide marketing at Tommy Hilfiger, said the company combed the streets to see what teenagers were wearing. What they really desired, he said, is someone older telling them what to wear.

"There's nothing worse," Mr. Connolly said, "than a bunch of 35- to 40-year-olds trying to figure out what teenagers want."

## DirecTV Offers \$1.8 Billion for Primestar

The Associated Press

NEW YORK — DirecTV Inc., the biggest U.S. satellite television service, said Friday that it was buying its No. 2 rival, Primestar Inc., for \$1.8 billion, in a deal that leaves only two major players to compete with cable in the satellite-dish industry.

The deal, announced Friday, along with DirecTV's pending purchase of a movie-channel service, will give DirecTV about 7 million U.S. subscribers and more than 370 channels. Its closest competitor, EchoStar Communications Corp., has about 2 million subscribers.

Primestar, controlled by five major cable companies, was initially

created to reach mostly rural customers who were unable to get cable. But the company has been struggling since a deal to buy Rupert Murdoch's U.S. satellite business was scrapped last year.

Primestar, based in Englewood, Colorado, has about 2.3 million subscribers to its 160-channel service. Primestar is owned by Tele-Communications Inc., Time Warner Inc., MediaOne Group, Comcast Corp. and Cox Enterprises Inc.

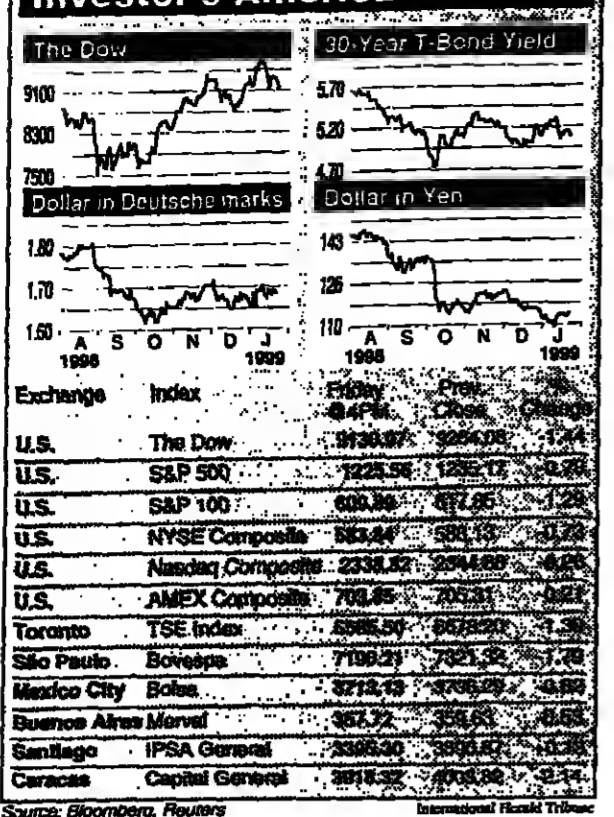
DirecTV has 4.5 million subscribers and is owned by Hughes Electronics Corp., an El Segundo, California-based unit of General Motors Corp.

DirecTV will acquire Primestar's medium-power satellite service and its ownership of high-power satellite licenses that allow for more channels than medium-power service. DirecTV and EchoStar own the only other satellite licenses for high-power direct broadcasting.

The deal is subject to approval by GM's board, Primestar's lenders and government regulators.

In December, DirecTV announced a \$1.3 billion takeover of United States Satellite Broadcasting in a move to expand its dominance in satellite broadcasting, with plans to provide a range of TV and Internet access services.

## Investor's America



## Very briefly:

- **Caldor Corp.**, a discount retailer that has been operating under bankruptcy court protection since 1995, announced that it was closing its 145 stores in nine East Coast states. The decision to liquidate the company follows the refusal of a group of creditors to agree to a reorganization plan, the Caldor management said.
- **BankAmerica Corp.** wants to cut its emerging markets exposure by another 50 percent, although reaching that goal is not certain, its chief financial officer, James Hance, has told analysts. The biggest U.S. bank cut its emerging market exposure, including loans and investments, to \$36.7 billion from \$41 billion in the fourth quarter.
- **IMC Global Inc.**, one of the world's biggest fertilizer and salt companies, agreed to sell its distribution unit for \$300 million to Royster-Clark, an agricultural wholesaler and retailer. The sale will result in a fourth-quarter charge of about \$75 million, or 65 cents a share, the company said. The sale is part of IMC's plan to cut costs and boost profit. IMC has combined or sold units and cut 530 jobs since September.
- **Seagram Co.'s** Universal Music Group, the world's biggest music company, fired 500 U.S. employees, the first of several planned cuts, as it absorbs its newly acquired Polygram NV, a source familiar with the move said. The cuts amount to about 3 percent of Universal Music's 15,500 worldwide work force.
- **Knight Ridder Inc.**, which publishes the Miami Herald, Philadelphia Inquirer and San Jose Mercury News, said fourth-quarter profit from continuing operations fell 7.3 percent, to \$80.3 million, on lower advertising sales and weakness at some of its dailies.
- **Sun Microsystems Inc.** reported slightly better-than-expected second-quarter net income of \$261.1 million for the quarter ended Dec. 27, up 22 percent from a year ago, due to strong sales of servers, workstations, services and storage products. The company, which has seen its stock soar in recent weeks, also announced a 2-for-1 stock split to shareholders of record on Jan. 21.

AP, Bloomberg

## U.S. STOCK MARKET DIARY

Friday, Jan. 22									
Indexes					Most Active				
Index	High	Low	Open	Close	Index	High	Low	Open	Close
Dow Jones	9100.00	9000.00	9050.00	9120.67	IBM	180.00	170.00	175.00	180.00
S&P 500	1230.00	1220.00	1225.00	1225.19	Microsoft	40.00	38.00	39.00	40.00
Nasdaq	2350.00	2330.00	2340.00	2338.88	Amazon.com	123.00	115.00	120.00	123.00
AMEX	700.00	690.00	695.00	695.00	Yahoo!	283.00	270.00	275.00	283.00
Standard & Poor's									
Industrials	1518.91	1498.74	1500.00	1498.74	Intel	35.00	33.00	34.00	35.00
Technology	1662.18	1627.49	1650.00	1650.00	Oracle	25.00	23.00	24.00	25.00
Financial	222.01	218.00	220.00	220.00	Cisco	20.00	18.00	19.00	20.00
Healthcare	1254.44	1222.19	1230.00	1230.00	Microsoft	40.00	38.00	39.00	40.00
SP 100	600.00	590.00	595.00	595.00	IBM	180.00	170.00	175.00	180.00
Nasdaq									
Biotech	285.11	280.00	282.00	282.00	Microsoft	40.00	38.00	39.00	40.00
Software	178.00	175.00	177.00	177.00	Amazon.com	123.00	115.00	120.00	123.00
Hardware	125.00	122.00	124.00	124.00	Yahoo!	283.00	270.00	275.00	283.00
Telecom	70.00	68.00	69.00	69.00	IBM	180.00	170.00	175.00	180.00
AMEX									
Biotech	70.00	68.00	69.00	69.00	Microsoft	40.00	38.00	39.00	40.00
Software	178.00	175.00	177.00	177.00	Amazon.com	123.00	115.00	120.00	123.00
Hardware	125.00	122.00	124.00	124.00	Yahoo!	283.00	270.00	275.00	283.00
Telecom	70.00	68.00	69.00	69.00	IBM	180.00	170.00	175.00	180.00
Dow Jones									
Industrials	1518.91	1498.74	1500.00	1498.74	IBM	180.00	170.00	175.00	180.00
Technology	1662.18	1627.49	1650.00	1650.00	Microsoft	40.00	38.00	39.00	40.00
Financial	222.01	218.00	220.00	220.00	Amazon.com	123.00	115.00	120.00	123.00
Healthcare	1254.44	1222.19	1230.00	1230.00	Yahoo!	283.00	270.00	275.00	283.00
SP 100	600.00	590.00	595.00	595.00	IBM	180.00	170.00	175.00	180.00
Trading Activity									
NYSE	1.2B	1.1B	1.2B	1.2B	Nasdaq	1.1B	1.0B	1.1B	1.1B
AMEX	0.5B	0.4B	0.5B	0.5B	Market Sales	1.0B	0.9B	1.0B	1.0B
Dividends									
Company	Per Annu	Rec Pay	Company	Per Annu	Rec Pay	Company	Per Annu	Rec Pay	Company
IBM	2.00	2.00	IBM	2.00	2.00	IBM	2.00	2.00	IBM
Microsoft	2.00	2.00	Microsoft	2.00	2.00	Microsoft	2.00	2.00	Microsoft
Amazon.com	2.00	2.00	Amazon.com	2.00	2.00	Amazon.com	2.00	2.00	Amazon.com
Yahoo!	2.00	2.00	Yahoo!	2.00	2.00	Yahoo!	2.00	2.00	Yahoo!
IBM	2.00	2.00	IBM	2.00	2.00	IBM	2.00	2.00	IBM
Microsoft	2.00	2.00	Microsoft	2.00	2.00	Microsoft	2.00	2.00	Microsoft
Amazon.com	2.00	2.00	Amazon.com	2.00	2.00	Amazon.com	2.00	2.00	Amazon.com
Yahoo!	2.00	2.00	Yahoo!	2.00	2.00	Yahoo!	2.00	2.00	Yahoo!

Friday, Jan. 22									
Grains					Metals				
Commodity	High	Low	Open	Close	Commodity	High	Low	Open	Close
Wheat	1.25	1.20	1.22	1.22	Gold	340.00	335.00	338.00	340.00
Corn	1.10	1.05	1.08	1.08	Silver	10.00	9.80	9.90	10.00
Soybeans	1.00	0.95	0.98	0.98	Copper	1.50	1.45	1.48	1.50
Wheat	1.25	1.20	1.22	1.22	Platinum	1000.00	980.00	990.00	1000.00
Corn	1.10	1.05	1.08	1.08	Palladium	1500.00	1450.00	1480.00	1500.00
Soybeans	1.00	0.95	0.98	0.98	Rhodium	2000.00	1950.00	1980.00	2000.00
Wheat	1.25	1.20	1.22	1.22	Iridium	3000.00	2950.00	2980.00	3000.00
Corn	1.10	1.05	1.08	1.08	Ruthenium	4000.00	3950.00	3980.00	4000.00
Soybeans	1.00	0.95	0.98	0.98	Rhenium	5000.00	4950.00	4980.00	5000.00
Wheat	1.25	1.20	1.22	1.22	Neodymium	6000.00	5950.00	5980.00	6000.00
Corn	1.10	1.05	1.08	1.08	Europium	7000.00	6950.00	6980.00	7000.00
Soybeans	1.00	0.95	0.98	0.98	Gadolinium	8000.00	7950.00	7980.00	8000.00
Wheat	1.25	1.20	1.22	1.22	Terbium	9000.00	8950.00	8980.00	9000.00
Corn	1.10	1.05	1.08	1.08	Dysprosium	10000.00	9950.00	9980.00	10000.0

The new vehicle will be developed with Volkswagen AG, and both companies will offer such a car using the same platform, although with different equipment and appearance. No decision has been made as to whether the car will be produced, and Porsche hopes to sell 20,000 annually.

Opel's profit rebound comes on the heels of a change in its management. In late October, GM announced that Robert Hendry, chief executive at Saab Automotive AB, would takeover at Opel, replacing Gary Cowger, who returned to the United States to head labor relations. Mr. Cowger had been at Opel's helm for only a few months, replacing David Herman, who left last summer after six years as Opel's chief U.S. sales and marketing officer. Richard Smith, Opel's European sales and marketing chief, says

Compiled by Our Staff From Dispatches

**PARIS —** FSA Peugeot Citroën SA offered on Friday a plan to its employees to shorten the average workweek to 35 hours without cutting wages.

The plan, coming after four months of negotiations with unions, also would cut staff through a major early retirement program and make room for younger workers. It envisages 12,500 early retirements over five years, with a third of the departing staff to be replaced by younger workers.

Trade unions have been given 10 days to respond to the plan. Their initial reactions were mixed. Joel Moreau, a representative of the General Labor Confederation, or CGT, told France Info radio that the union would not sign, saying the 3-to-1 ratio of retirements to new hires was unacceptable.

But Michel Prost of the Confederation of Independent Unions, or CSI, said there were positive elements in the plan.

An accord would represent a success for the Socialist-led government, which is pressing private-sector companies to negotiate agreements for a 35-hour average workweek in a bid to bring down France's 11.5 percent unemployment rate.

In London, meanwhile, Peugeot said it would hire additional workers at its plant in Coventry, England, as it adds shifts and increases output to keep up with strong demand for its 206 small car model.

Peugeot shares closed Friday in Paris at 138 euros (\$160.11), down 240 euros. *(Reuters, Bloomberg)*

Compiled by Our Staff From Dispatches

**LONDON** — The economy narrowly avoided falling into recession in the fourth quarter, figures released Friday showed, as the service sector expanded enough to offset weakness in the manufacturing sector.

Preliminary estimates showed that Britain's gross domestic product rose 0.2 percent in the quarter and 1.6 percent for the year, the Office for National Statistics said. But the quarterly rise was the lowest since the second quarter of 1992, when Britain was mired in its last recession, and the annual growth rate was the weakest since the first quarter of 1993.

The service sector, which accounts for two-thirds of the economy, grew 0.6 percent on the quarter, slowing from the 0.8 percent gain seen in the third quarter. The yearly rise was 2.9 percent.

"These figures confirm the feeling I had late last year," said Martin Weale, director of the National Institute of Economic and Social Research. He said some people — and possibly trading houses that were trying to recover positions — preached a disaster that did not seem to be substantiated by fundamentals. "There may still be a technical recession, but

I think that's a bit unlikely, and certainly a major recession is even more unlikely," he said.

A recession is defined as two consecutive quarters of negative growth. A contraction in the fourth quarter of last year would have provided the base for what is widely expected to be negative growth in the first quarter of this year.

"It shows those making predictions to the contrary were wrong," a spokesman for Prime Minister Tony Blair said.

But analysts warned the data could be revised downward when revised figures are released in February.

"There does appear to be a certain amount of downward momentum, which may show up in the next couple of quarters," said Jonathan Loynes, economist at HSBC.

Analysts also agreed that the Bank of England was likely to maintain its aggressive rate-cutting stance. The central bank has cut its base rate 1.5 percentage points since October. It now stands at 6 percent.

"We still think they will squeeze in a February rate cut, and possibly pause for a couple of months to assess the impact of the easing," Mr. Loynes said.

(Bridge News, Reuters)



Wendelin Wiedeking, Porsche's CEO, at a shareholders' meeting.

DaimlerChrysler AG and Nissan Motor Co. confirmed Friday that senior officials of both companies met this week to discuss a link, but said nothing had been decided. Bridge News reported.

Executives from both companies discussed possible cooperation involving Nissan's Diesel Motor Co. truck subsidiary and other projects.

Along with Ford Motor Co. and Renault SA of France, DaimlerChrysler has been cited this month as a potential partner for Nissan. Renault on Monday confirmed talk that it was in negotiations with the Japanese group, which lost \$100 million in its 1997 financial year and has debt of \$200 billion.

Senior executives of Nissan have indicated that they might be willing to sell a stake to a foreign partner.

**PARIS**—Executives at Matif, the French futures exchange, acknowledged Friday that published figures supporting its efforts to remain a player in a key area of the market for European financial derivatives were not quite what they seemed.

According to an advertisement in the Financial Times on Friday, open interest—the total number of contracts outstanding—for the exchange's short-term interest-rate future totaled 400,000 contracts.

However, Matiff had said Tuesday in a press release that open interest totaled 224,000 contracts, implying a sharp increase in a short time.

Matiff officials said Friday that the new figure for open interest included open interest in the futures contract on the Paris interbank offered rate, or Fibo, which has not traded since Dec. 30.

The contract became redundant with the Jan. 1 introduction of the euro, when Fibo technically became the same thing as Euribor, the European interbank offered rate. On Tuesday, Matiff did not include the Euribor equivalent of the Fibo contracts in its volumes.

The exchange's interest-rate future is now indexed to Euribor, and is competing with similar contracts listed on Eurex — the German-Swiss derivatives exchange — and the London International Financial Futures and Options Exchange. The desire to show strong levels of open interest is emblematic of the battle among the three exchanges to establish a dominant position in the market for Euribor rate futures.

The fight is of particular importance to Liffe. The London exchange rapidly lost business in its former flagship contract, futures on long-term German government bonds to Eurex in 1997 and 1998.

Manif executives denied that they used creative accounting in the advertisement of the exchange's open interest figures, pointing out that the Pibor and Euribor contracts were effectively identical. Indeed, Pibor positions can be switched into Euribor contracts free of charge until June 14. But many users who opened Pibor positions to hedge against market movements may simply leave them open until they expire.

[illegible]

- **Royal & Sun Alliance PLC** is considering a cash-and-share bid for rival **Guardian Royal Exchange**, which put itself up for sale last year and asked **Morgan Stanley & Co.** to help in the auction process after it received informal bids.
- **Siemens AG's** net income climbed 12 percent in the first quarter that ended Dec. 31 to 639 million Deutsche marks (\$378.8 million), as sales rose 16 percent to 28.8 billion DM.
- **Cellular Communications International Inc.** directors recommended accepting a revised \$1.8 billion bid from **Olivetti SpA** and **Mannesmann AG**. CCI, whose sole asset is 10.3 percent of **Omnitel Pronto Italia SpA**, rejected **Olivetti** and **Mannesmann's** previous \$1.5 billion bid last week.
- **Nokia Oy** of Finland won an order to supply transmission equipment and services to **Tele2 Europe** of Luxembourg to build the backbone of a 12-country European telecommunications network that includes telephony, fax, data transmission and access to the Internet.
- **France Telecom SA** plans to spend \$2 billion over 10 years on **Dutchtone**, its joint venture with **Rabobank Nederland NV** and **ABN-Amro Holding NV**.

*The Associated Press*  
**FRANKFURT —** The European Central Bank chief Friday suggested easing conditions for Britain to join the single European currency.

Until now, candidates had to show stability in exchange rates with European currencies for at least two years.

Wim Duisenberg, president of the European Central Bank, suggested the two-year rule be dropped in favor of "a protracted period of stability" in exchange rates.

[illegible][illegible][illegible][illegible]

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119.00	119.25	119.75	120
120.00	120.25	120.75	121
121.00	121.25	121.75	122
122.00	122.25	122.75	123

March	4.51	4.50	4.50	4.50
March-April	4.75	4.50	4.50	4.50
April-May	2.40	2.35	2.40	2.40
May-June	20.05	20.05	20.05	20.05

Stock markets in Istanbul

Regency Capital	4.95	4.98	4.88	4.75	Telecom Italia	8.07	7.75	7.98	8.16
Nymcap Asset	4.17	4.08	4.13	4.14	7DM	5.80	5.63	5.74	5.95
Orange	6.99	6.62	6.75	6.95	Unicredito Ital	4.95	4.55	4.79	4.84
RAI	4.28	4.03	4.09	4.35					

Korea El Pac	33300	30000	30000	32500	Acorn	8700	8000	8500	8400
LG Electronics	14750	14700	14700	14000	Advent	9390	8750	8540	9700
LG Semicon	12190	11400	11700	12200	Alimicro	1299	1268	1269	1271
					Alt. Nissan Alt.	285	240	220	244

34523 50	34523 50	34523 50	34523 50	34523 50	34523 50
ELU-bloc Indexes	ELU-bloc Indexes	ELU-bloc Indexes	ELU-bloc Indexes	ELU-bloc Indexes	ELU-bloc Indexes

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The 2,300 most traded stocks of the day.  
 Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press.

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**Continued on Page 14**

صلى الله عليه وسلم

## ASIA/PACIFIC

## Malaysia to Set Proposals for Easing of Capital Controls

**KUALA LUMPUR** — Plans to ease controversial controls on capital flows are likely to be presented to about 40 fund managers and bond investors when they meet beginning Monday in Kuala Lumpur with Prime Minister Mahathir bin Mohamad and other government and business leaders.

Mr. Mahathir, officials confirmed Friday, is willing to ease the controls and let foreign fund managers take out a portion of an estimated \$10 billion locked in the country's stock and bond markets.

Finance Minister Daim Zainuddin said in an interview last month with the International Herald Tribune that he was weighing two possible alternative policies to replace "as soon as possible" the one-year ban on the repatriation of funds by foreign portfolio investors.

Mr. Mahathir will call on fund

managers to bring in fresh capital and buy the country's bonds. Kuala Lumpur is seeking ways of attracting foreign investors back after it frightened them off by imposing capital controls in September. In addition to pegging the currency at 3.80 ringgit to the dollar, the curbs also prohibit foreigners from repatriating equity investments for one year following the purchase date.

Analysts estimate that Malaysia needs to raise as much as 60 billion ringgit (\$15.8 billion) through the year 2000 to recapitalize its banks and bolster spending enough to emerge from the country's worst recession in a decade.

Ian Lui, a fund manager with Indocam Singapore Ltd., said, "After some initial capital outflow by funds that need to fulfill their redemption obligations, I think the net-net effect will be more funds flowing in."

The meeting of foreign fund man-

agers is being arranged by Salomon Smith Barney, which is serving as Malaysia's financial adviser. The attending investors include Jardine Fleming Holdings Ltd., J.P. Morgan & Co., and Prudential Investments. Salomon is advising the Malaysian government on ways to improve its economic performance.

One option that serves Malaysia's aim of keeping out short-term hedge funds is the Taiwan model of a rating scale of "most favored investors," where long-term qualified financial institutions are favored over short-term hedge funds through a graduated scale of incentives and exit taxes, one government official said.

The exit tax could run as high as 30 percent for funds that keep their capital in the country for less than three months, the official said.

"If Malaysia is able to prove to the world that you can differentiate the types of capital flow you pick for

economic development, other countries might look at it and follow suit," said Fong Cheng Hong, an analyst with Nomura Securities Pte. in Singapore.

Malaysia is already letting some foreign investors slip through its exchange controls net.

Jardine Fleming Unit Trust Ltd. raised \$7.6 million from selling 46 percent of JF Malaysia Trusts' total assets as of Jan. 14, the fund manager said in a Jan. 15 letter to owners of that fund.

Other fund managers said Jardine probably did a swap with Blue Circle Industries PLC, a British cement producer that is making a direct investment in Malaysia. On Dec. 23, the Malaysian central bank approved a 600 million ringgit currency swap plan proposed by Blue Circle, allowing fund managers to get their money out of the country by swapping their ringgit for the dollars

Blue Circle is investing. Direct investment is exempt from the country's capital controls.

(Bloomberg, AP)

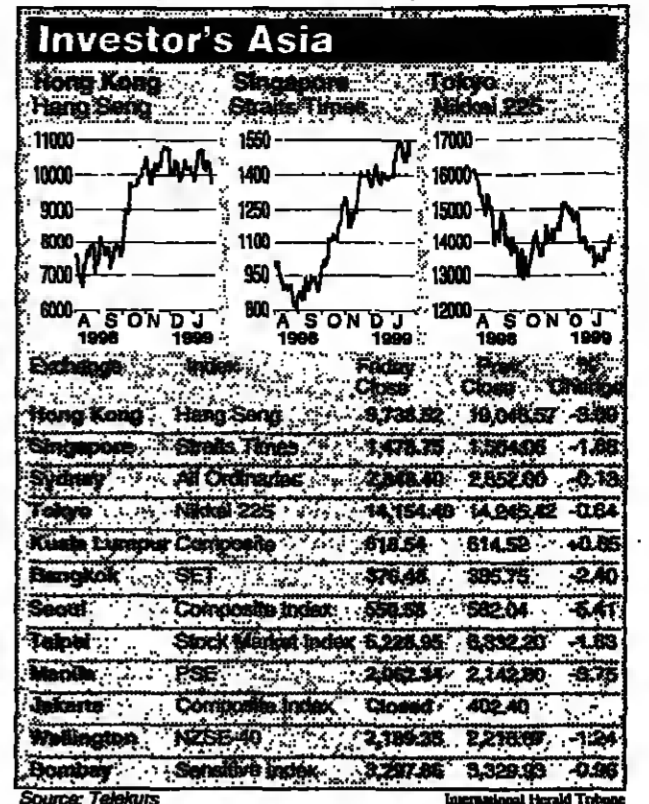
## Central Bank Praises Euro

The Malaysian central bank on Friday welcomed the introduction of the euro, saying the new currency had been made part of the nation's reserves and would provide relief to importers and exporters, Reuters reported.

"Bank Negara welcomes the introduction of the euro," a representative of the central bank said.

Mr. Daim, the finance minister, said this month that the euro would enable Malaysia to reduce its reliance on the dollar in foreign trade.

Bank Negara declined to say whether the emergence of the euro would permit Malaysia to scrap its peg against the dollar earlier than otherwise.



## "Mr. Yen" Is Optimist on End of Crisis

**TOKYO** — Japan's top financial diplomat predicted Friday that problems of the country's banking sector could be cleared away soon and reiterated that the economy will pick up in the middle of this year.

"I think all the weak links in Japan's financial system will be cleared by the end of fiscal 1998," which ends on March 31, Eisuke Sakakibara, vice finance minister for international affairs, told the Foreign Correspondents' Club of Japan. "The Japanese economy will rebound in the middle of 1999."

He said Japanese bank restructuring would proceed very aggressively in the coming months because of an independent and tough regulator — the newly created Financial Supervisory Agency — which has so far put two of the nation's 19 major banks under state control.

The senior official, known as "Mr. Yen" for his influence on the currency markets, also said Japan had no plans to change the composition of its foreign reserves following the Jan. 1 launch of the euro.

"As far as Japan is concerned, we do not have any intention of shifting our portfolio in foreign reserves," Mr. Sakakibara said. The make-up of Japan's huge foreign reserves remains secret, but the bulk, probably 70 to 80 percent, is in dollars.

Mr. Sakakibara also said that the Japanese government viewed both an excessively weak yen and an excessively strong yen as undesirable.

He also made a plea for a new



Eisuke Sakakibara speaking Friday in Tokyo. He said the country's economy would 'rebound in the middle of 1999.'

architecture of the financial system. A new foreign-exchange system has to be "thoroughly discussed in the months leading up to the Cologne summit" of the Group of Seven industrialized countries plus Russia.

But he was reluctant to specify a solution for stabilizing rates between the dollar, the euro and the yen.

"I am not suggesting that Japan would support target or reference zones" among the three currencies, he said. "We are ready to discuss with Oskar Lafontaine but we are not supporting his ideas at this stage," he said, referring to the German finance minister.

Although Germany favors the

idea of target zones, the United States is opposed to any such system. Mr. Sakakibara ruled out any possibility of Tokyo using its large holding of U.S. Treasury bonds as

"leverage" against Washington, as some Japanese politicians have suggested in the past.

When asked about uncertainty in the global market in the near future, Mr. Sakakibara said, "I tend to agree with Mr. Greenspan that there is a possibility the U.S. equity market is overvalued."

On Wednesday, the Federal Reserve Board chairman, Alan Greenspan, speaking on the U.S. economy to the House Ways and Means Committee, warned that stock market prices had risen further than profit growth would justify.

Mr. Greenspan also said the recent weakening in corporate profits raised the possibility that the strength in the stock markets "will have difficulty in being sustained."

(Reuters, AFP, Bridge News)

## Continuing Deflation Fuels Pessimism in Hong Kong

**HONG KONG** — Hong Kong recorded a second consecutive month of deflation in December, the government said Friday in a statement that heightened fears that the territory will slide deeper into recession.

The composite consumer price index fell by 1.6 percent in December from a year ago, the Census and Statistics Department said.

The index had shed 0.7 percent in November, the first time Hong Kong experienced deflation in the 23 years that statistics have been kept.

"This continues the trend we've seen for the whole year, going from disinflation to deflation," said Ian Perkins, an economist at the Hong Kong Chamber of Commerce.

For the full year, consumer prices increased 2.8 percent, the lowest level of inflation since 1985, when the composite consumer price index rose 3.5 percent.

Lower-priced imports from other recession-struck Asian nations, as well as government rebates in the second half of the year, kept prices down, the government said.

The cost of clothing, footwear, housing and durable goods posted the sharpest falls in December, it said.

"While deflation can be a sign of a weak economy, some analysts said falling prices could eat back-business costs and help Hong Kong regain competitiveness, at least for the short term."

Falling prices cut "your cost of goods and your cost of doing business," said John Steel, an economist

with Morgan Stanley Asia Ltd.

But other analysts saw it as a sign of weak consumer demand and said that rising unemployment was likely to keep demand falling.

"Consumers may delay consumption, and that means we're not going to see a strong recovery," said Benjamin Tse, an economist at ING Barings Securities Ltd. "All of this should be expected, but in the short run it will add to pessimism about the economy."

Unemployment rose to a record 5.8 percent in the three months to December, from 5.5 percent in November.

Economists say the jobless rate could balloon to as high as 9 percent by the end of this year or early next year.

Hong Kong's economy shrank 7 percent in the quarter from July to September and government officials estimate the economy contracted 5 percent over the past year.

(AP, Bloomberg)

## Sega Seeks Lift Through Big Bond Sale

**TOKYO** — Sega Enterprises Ltd. plans its largest-ever convertible bond sale next month to finance development of software for its DreamCast game system in a bid to capture a larger share of a global market dominated by Sony Corp. and Nintendo Co.

Sega said Thursday that it would sell 30 billion yen (\$263.85 million) in seven-year convertible bonds domestically and 50 billion yen in four-year convertible bonds outside Japan.

That would be the largest such sale by a Japanese company since December 1996, when

Tokyo Gas Co. sought to raise 100 billion yen. Sega will spend some of the proceeds on game software for its 128-bit DreamCast machine, said Munehiro Umemura, a Sega spokesman. The player went on sale Nov. 23 in Japan and will arrive in U.S. stores in September.

Sega's success in taking a greater share of the \$15 billion global market for video games depends on whether it can present a strong lineup of software for the DreamCast, which features graphics technology superior to Sony's PlayStation or Nintendo's Nintendo64, but currently offers few games.

## BANKRUPTCY: A New Tone

Continued from Page 9

province wasn't supposed to guarantee its loans, but it did. And the Western banks were colluding with these guys."

The bankers, however, insist they made loans to GITIC in good faith — not as part of a collusive deal with provincial leaders. Many regard Beijing's action as less a courageous stand than a craven betrayal.

"China's credibility could be badly damaged by how this was handled," said Brian Lippey, managing director of Tokai Bank Ltd., a Japanese bank with modest exposure to GITIC. "I'm not saying the government should bail out every company, but the process has to be in accordance with international norms."

The bankers say they believe they had guarantees from provincial officials that either Guangzhou or Beijing would stand behind their loans if GITIC went sour. Sometimes these guarantees came in the form of handshakes; other times they were set out in "letters of comfort."

In the aftermath of GITIC's collapse, banks have begun calling in loans to other troubled Chinese companies. As they do, more Chinese companies are defaulting. Dalian International Trust & Investment Corp., the fund-raising arm of the northern city of Dalian, recently acknowledged that it had missed payments on foreign loans. Other investment-trust companies affiliated with Guangdong, Fujian, and Hubei provinces have also missed payments.

For now, the Chinese debt crisis is mainly limited to investment trusts. These financial institutions, known as ITICs by investors, sprouted like weeds after Deng Xiaoping opened the economy in 1978. Their purpose was to raise money from outside China for the provinces. But with their loose management and shaky finances, they became the Chinese equivalent of the U.S. savings and loan debacle.

Last week Beijing said it planned to prune the number of investment trusts to 40 from 240. That will mean shutting or merging scores of ITICs, most of which owe money to foreign banks. Basisfield, a research firm that tracks corporate debt issues, estimates that the investment trusts have \$5.1 billion in total debt — \$1.5 billion in direct loans from foreign banks.

But many experts fear the debt crisis is spreading beyond investment trusts. Guangdong Enterprises Holdings, another prominent Chinese company, has suspended payments on \$2.9 billion in debt, while it overhauls its operations with the help of Goldman, Sachs & Co. Guangdong Enterprises is a "red chip" — a Hong Kong-based company controlled from the mainland, in this case by the Guangdong government.

Formed in 1980, it was one of the first companies set up by provincial regimes to tap overseas markets.

Before the Asian crisis, red chips were the rocket fuel that propelled the Hong Kong stock market. Now they are in disrepute. In a report last November, before it was hired to fix Guangdong Enterprises, Goldman estimated that the red chips were grossing under nearly \$13 billion in debt.

On Friday, the Hong Kong-based trading company contacted to Hubei Province told its 20 creditor banks that they needed to return any money from the company's liquidation, might not recoup any money from the company's liquidation, Bloomberg News quoted liquidators as saying.

[Yi F Trading Co. Ltd., the Hong Kong-based import-export firm connected to Hubei International Trust & Investment Corp., has debts that outstrip the value of its assets by about \$130 million, said Nancy Chen, an accountant in the liquidation department of Ernst & Young LLP, which was hired by creditors to liquidate Yi F.]

[Sanitomo Bank filed a petition for repayment of overdue loans, making Yi F seek creditor protection from the courts, said Stephen Lin, head of liquidation at Ernst & Young.]

Analysts said China would hardly waver if foreign banks turned off their taps. Foreign lending accounts for a relatively small part of the economy, and analysts said the country's four main domestic banks could pick up much of the slack.



A bust of Pope John Paul II on sale at a store in Mexico City. The Pope arrived in Mexico on Friday for the start of a four-day visit.

## POPE: Corporate Sponsorship as for 'a Soccer World Cup' Outrages Mexicans

Continued from Page 1

stones and bad taste, particularly the Sabritas ads, which have prompted gibes and ridicule and vulgarity, as if the Pope were a soccer player or a prominent showbiz figure," said Bernardo Barranco, president of Mexico's Center for Religious Studies. Of the companies involved, he said, "When it comes to capitalizing on the Pope's visit, they're just going after profits."

"It's a grotesque campaign," he said. Tod MacKenzie, a spokesman for Frito Lay in Dallas, said Sabritas was approached by the church to help sponsor the trip, and that they collaborated "on a program to reach millions in all corners of Mexico with images of the Virgin and the Pope."

"Proceeds from the sale of the 2 peso frame will be donated to the construction of a shelter for pilgrims next to the Basilica of Guadalupe in Mexico City, he said.

Reforms, which for two weeks has been running a front-page countdown to John Paul's arrival, is hardly in a position to poke fun at anyone for commercializing the visit. This week, the newspaper has been running half-page ads encouraging readers to buy special classified and display advertisements to "Send

your message to the Pope," enhanced, perhaps, with a picture, your name or a drawing of hands in prayer, the ad suggests.

Huge billboards by PepsiCo and Bimbo, a Mexican bread company, tout the papal visit along Mexico City's highways. The Bimbo ads have a picture of the Pope and the Virgin of Guadalupe, and proclaim that at the birth of a new millennium, "We Reaffirm the Faith." Pepsi placards and billboards cite the words of John Paul on a previous visit: "Mexico, Always Faithful." The signs add: "Pepsi — Official Sponsor of the Fourth Visit of His Holiness John Paul II to Mexico."

A spokesman for PepsiCo in New York said the ads "spread a positive message in a tasteful way."

"Our folks in Mexico don't perceive there's any controversy," he said. Radio Red, a nationwide radio network, has bought full-page ads promoting its coverage and showing a smiling figure that looks like Jesus with his arm around the Pope's shoulder. The Mexican bank Bancomer SA, another official sponsor, is airing television spots advertising commemorative coins to mark the visit, with the bank's logo in the background.

TV Azteca, one of Mexico's main television

networks, is promoting its coverage of the trip with a slickly produced dramatization of a miracle by John Paul.

On Tuesday, La Jornada newspaper ran a cartoon of a dismayed Pope asking himself, "With so many commercial messages, will I have time to give my divine message?"

In a news conference, the Vatican's envoy to Mexico, Justo Mullor, and Mexico City's archbishop, Cardinal Norberto Rivera, who approved the sponsorships, said they had seen no disrespectful ads and defended the concept.

"We live in an age of advertising, and we are men of that age," one of them said, according to Mexican press reports.

Bishop Trinidad Gonzalez Rodriguez, from Guadalajara, who helped coordinate the visit, said that many bishops were dubious about involving a potato chip company in promoting it but that lay people on a commission that organized the visit were in favor of the idea.

"They decided it was more important to promote the Pope than risk criticism for sub sponsorship," he said. "I would have done it differently."

"We made a mistake, and we are paying the consequences. We've gotten a lot of criticism, and there are jokes all over the newspapers."

## DOMAIN: Internet Name Game

Continued from Page 9

three supporting organizations, including the crucial central group that will make recommendations on domain name and registration policies.

Network Solutions has not been sitting around waiting for the end. Just before Christmas, its stock price tripled to a record \$172.25 after it announced important alliances with Netscape Communications Corp. and Yahoo! Inc. The shares traded late Friday at \$179.50, up \$10.25.

With a government guarantee that it will still be a registrar once competition is introduced, Network Solutions has been aggressively building its own international network of partners to handle registrations around the world for the company. As of Thursday, the company said it had signed partnership agreements with 85 companies worldwide.

On Friday, the Information Technology Association of America was sponsoring a meeting in Washington to encourage a compromise on draft bylaws for the supporting group that will recommend how to further open competition in the registration business and when and how many new top-level domains should be added to the Internet.

The introduction of competition in the registration system will mark the first noticeable difference for consumers in the years-long process by which the government is handing control of the Internet to the private sector.

The Clinton administration's decision nearly two years ago to get out of the Internet business was spurred in part by complaints from around the world that Network Solutions had an unfair monopoly on the domain-registration business.

Analysts said this week that they expected revenue to hit \$90 million for 1998, compared with revenues of \$6 million, \$18 million and \$45 million over the previous three years.

Last year, Network Solutions registered about 1.9 million new domain names, nearly double its 1997 total of 960,000 names.

Once new registrars are introduced, the company will be obliged to transfer registrations of addresses ending in .com, .net and .org to its competitors if customers decide they would rather deal with one of the new companies.

But many analysts expect that the company will maintain its dominance, in part because the process for moving Internet governance to the private sector and opening the registration business has taken so long, giving the company much-needed time to diversify and solidify its leadership.

**Friday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year,  
*The Associated Press.*

[illegible]

**Friday's 4 P.M. Close**  
The 150 most traded stocks of the day,  
up to the closing on Wall Street.  
*The Associated Press.*

[illegible]

**Friday's 4 P.M. Close**  
(Continued)

[illegible]

## Emerging Markets

صلى من الارجل

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# Leading Equity Mutual Funds in the 4th Quarter

Total percent return in U.S. dollars, Sept. 30 to Dec. 31, 1998

Matthews Intl Korea, I	101.98	WEBS Singapore	55.99	Lippo 68-Indones Gth	118.11	Save & Prosper Korea	109.57	DWS US Technoaktien	42.32	CS Eq Fd Korea	77.54
Internet Fund	83.49	Thurlo Growth	53.28	Fidelity Fds-Indones	109.89	Bering Korea	93.92	DWS Asia Akt Typ O	32.81	Swissco ChnryEq Tgr	38.18
WWW Internet Fund	71.36	MFS Vertex Contr; A	52.47	Chl Korea Equity	99.23	Old Mutual Thailand Acc	49.29	DWS Telemedia	26.96	UBZ SE Asia	32.73
Transam Prem Sm Co; Inv	51.55	Transam Prem Sm Co; Inv	51.55	Atlantis Korea Sm Cos	91.79	Jupiter Far Eastam	38.80	DVG Fds-Netherlands	24.36	SBC Eq Fd Asia	29.92
Group Average	17.41	Group Average	17.41	GAM Sing/Malaysia	89.83	GAM Far East Growth	35.18	DIT Technologiefonds	24.21	Group Average	16.58
Group Average	17.41	Group Average	17.41	Group Average	17.58	Group Average	13.36	Group Average	13.65	Group Average	16.58

Source: Lipper Analytical Services

## Please Don't Shoot the Fund Manager: In '98, Least-Bad Was Best

By Conrad de Aenlle

SOMETIMES YOU WIN, sometimes you lose, sometimes you win and lose. Many portfolio managers did both last year, earning money for their clients but less than if they had invested in market-index funds.

The average stock fund based in five large markets — Britain, Germany, Switzerland, the United States and an assortment of leading offshore centers, such as the Channel Islands and Luxembourg — had a double-digit gain in the fourth quarter, according to Lipper Analytical Services Inc., which compiles data for The Money Report's quarterly review.

That strength helped fund managers salvage what looked at the end of September to be a dismal year in the making.

The best performers in the quarter were in the United States, where sharp gains in the shares of large companies, such as those in the Standard & Poor's 500-stock index and a handful in the Nasdaq market, have pulled U.S. market averages higher for four years and helped propel markets in most developed economies. U.S.-based stock funds rose 18.4 percent in the quarter.

Next-best were offshore funds, which have done erratically and mostly poorly in the last few years, as they tend to deploy many of their assets in emerging markets, which were among the worst places to invest. Last year, the average offshore stock fund rose 17.6 percent. (All returns are calculated in dollars for the sake of international comparisons.)

In the other domiciles, the gains were 16.6 percent in Switzerland, 13.7 percent in Germany and 13.4 percent in Britain, Lipper's figures show.

Despite such apparent strength, in four of the five markets, the return could not keep up with an accepted benchmark — the S&P 500 index for the United States, the Morgan Stanley Capital International world index for the offshore territories and MSCI country indexes elsewhere.

German funds beat their benchmark by a respectable 1.3 percentage points; in other locales, the underperformance ranged from 0.9 point in Britain to 7.6 points among Swiss funds.

The tendency to come up short is long established. For the full year, none of the domiciles had average fund returns matching the key indexes; in fact, they did not even come close. The average offshore fund rose 4.9 percent, for instance, compared with a 24.8 percent return for the MSCI world index.

German fund managers again did best — or least-bad — with an average gain of 22.3 percent for the year, while the MSCI Germany index rose 29.9 percent.

Looking at the same phenomenon in a slightly different

way, less than one U.S. equity fund in six beat the S&P 500 last year. In the offshore territories, Britain and Switzerland, less than one in four beat the relevant benchmark. German funds again did somewhat better, but still not even one manager in three beat the index.

A key reason that funds did not do as well as the market averages is that the markets themselves did not do as well as the market averages. That is possible because the stocks banded into the indexes are anything but average. They tend to be the largest companies in their markets, and their shares have done far better than those of other companies.

Despite a rise of more than 26 percent in the S&P 500, more stocks fell last year on the New York Stock Exchange than rose. The divergence was even greater on Nasdaq, where the composite index was up nearly 40 percent, but there were twice as many losing stocks on the year as winners. Markets in other countries also have shown a large-company bias, but generally less exaggerated than in the United States.

"Don't be misled by the performance of the indexes," Timothy Vick, editor of the newsletter Today's Value Investor, advised in his year-end edition. "This was a dreadful year for most investors. If your fund manager or adviser couldn't keep pace with the S&P 500 this year, refrain from shooting him or her."

"No one beat the indexes this year," he added. "Most money managers didn't come close."

BECAUSE THE main indexes are capitalization-weighted, an increase counts more in the stock of a large company than a small one, widening the discrepancy between the indexes and the broad market, and between small and large companies within an index. Mr. Vick noted that the gain in the average stock in the S&P 500 was just one-third the gain recorded by the index because the biggest gainers were the most heavily weighted stocks.

But in his advice to subscribers, Mr. Vick may be letting the managers off lightly. During much of the 1990s, large U.S. companies underwent a once-in-a-generation restructuring that produced rapidly improving financial results — better than those of their smaller counterparts — and their share prices reflected it.

That financial strength seems to be dissipating. Many analysts forecast a decline in earnings this year for the companies in the S&P 500. The index nevertheless has been driven higher by more than 30 percent since October, to a great extent by fund managers buying its larger components to try to avoid falling further behind.

The result: Managers who use such a "quasi-indexing" strategy are paying prices that, as a multiple of earnings,

dividends or the value of their assets, are far higher than they ever have been.

Some market observers warn that the high valuations and narrowness of the advance — which are even more extreme now than in July, when share prices tumbled around the world — are signs of a bubble that, when popped, will cause stocks to plummet anew. Meanwhile, the managers who use traditional stock-picking strategies are losing more ground to the averages.

JAMES STACK, who edits the newsletter InvesTech Mutual Fund Advisor, said that many of the quasi-indexers understand that they are paying exorbitant prices for stocks. Even so, he said, "most pros don't have a choice."

The attitude, he said, is: "Bubble or not, you'd better be invested. If you lose most of your clients' funds in a bear market, blame it on the market. Just don't lose too much more than the popular averages."

The word bubble is not thrown around as much in Europe, where valuations never reached American extremes.

But Mack Howdle, a strategist at Salomon Smith Barney Inc. specializing in Europe, advises that economic growth is bound to slow, especially after the Brazilian currency devaluation Jan. 13, and that corporate profits are bound to slow with it.

That will put a large burden on companies to continue the streamlining and modernization that has helped European markets move higher.

"Companies must find ways to increase productivity and profitability," he said. "Restructuring becomes inescapable. Even before the Brazilian shock waves are felt, recent economic data releases in Europe have been signaling a sharp manufacturing downturn."

Bonds are the traditional beneficiaries of weakening economies. The best fixed-income funds in the fourth quarter, especially in the United States and offshore, targeted emerging markets, where bonds snapped back after having been dumped almost at any price weeks before.

For the full year, though, bond prices reflected the same narrowing breadth experienced in stock markets. Because of worries about creditworthiness in an economy that suddenly seemed shaky, investors shunned emerging-market debt and low-grade corporate debt, preferring to stick with high-quality government issues.

European funds outperformed U.S. and offshore funds largely because managers in Europe customarily concentrate on government bonds. Emerging-market bonds are a fixture in offshore funds, and high-yield and other corporate issues tend to make their way into U.S. funds.

The U.S. stock market may be forming a speculative bubble, as analysts such as Mr. Stack suggest. Even if it is,

investors have done well to cling to its slippery surface. Of 35 categories of equity funds tracked by Lipper, 33 had a positive fourth quarter, with double-digit percentage gains for 28 of them. The only losers were gold and natural-resource funds, which were depressed all year by weak commodity prices.

THE BEST funds invested in shares of technology companies; the average rose 41.7 percent in the quarter and 51 percent in all of 1998. The next-best group was tech's close relation, telecommunications funds, which rose 36.6 percent in the quarter and 40.8 percent in the year.

Because market breadth has been persistently narrow, results for the full year were mediocre or worse for funds that did not invest in large companies or technology. While the average domestically invested, general-equity fund rose 14.5 percent last year, funds targeting smaller companies fell by 0.5 percent, and so-called micro-cap funds, investing in even smaller companies, rose by 1.4 percent. By contrast, funds with portfolios intended to match the S&P 500 rose by 28.1 percent.

An astonishing phenomenon in the fourth quarter was the public's fascination with technology, especially the Internet. Shares in otherwise ordinary businesses would often double or triple after simply announcing that they would peddle some of their wares on the computer network.

A small management company called Firsthand Funds had three of the seven best U.S. stock funds, gaining from 58 to 97 percent in the quarter. The three specialize in technology, but their co-manager, Kevin Landis, said they achieved their returns without owning the "dot coms," as he called the speculative Internet stocks.

"Our big theme is that if you do your homework and pick stocks that are not such obvious plays, you can participate in a trend that everyone is chasing so madly," he said, but without the madness. "It's the obvious that you can purchase at a reasonable price."

Continued on Page 16

## In Emerging Markets on the Mend, You Can Go Up Again

By Judith Rehak

ONCE AGAIN, emerging markets investors had to fasten their seat belts in the fourth quarter. But this quarter there was a big difference: For the first time since early last year, most of the turbulence was up instead of down.

Emerging-market funds around the globe, except those committed to Russia and Latin America, sprang back to life. The average global fund was up 12.6 percent, according to Lipper Analytical Services Inc. Asia specialists surged 26.5 percent, with the pure-play Matthews Korea Fund rocketing an astounding 101.99 percent. Central and East European funds, on the mend from the psychological contagion of Russia's devaluation, posted a 14.32 percent return. Even beleaguered Latin America funds staged an average 5 percent return — although that was wiped out, at least temporarily, when Brazil devalued its currency on Jan. 13.

Still, the depth of the emerging-market meltdown was never more apparent. Even the sharp run-ups for the quarter failed to overcome the staggering losses of the past two years, as all but a handful of the 822 open-end funds tracked by Lipper remained mired in the negative column for the year, with "winning" performances defined as those that lost the least.

Knowing which countries to choose, which to avoid and when was the key to success in global portfolios. One of the most nimble players was the Dresdner RCM Emerging Markets fund, the fifth-best performer for the year in its category of 269 funds, down only 8.36 percent after a fourth-quarter gain of 17.24 percent.

Early in the year, Dresdner did well in Portugal, where interest rates fell and the stock market boomed as it prepared to join the European Union. The fund also increased its positions in Hungary and Poland after the Russian devaluation shock began to ease, and boosted its Asia holdings, the latter now up to 35 percent of the portfolio, according to Paul Cox, a co-manager. The fund also dodged a bullet by being "very underweight" in Latin America.

"We were down to 15 percent just before Brazil devaluated," Mr. Cox said. The fund's managers remain keen on Asia, especially China, South Korea and Thailand. "We've been going for the big infrastructure plays there," Mr. Cox said. "As a regional call, we still think that prospects are good in the Far East."

Indeed, it was the Philippines, South Korea and Thailand that came to the rescue of beleaguered emerging-market investors. All three countries are still in recession, with serious unemployment and rocky times

### Leading Emerging-Market Funds in the 4th Quarter

Total % return in U.S. dollars Sept. 30 to Dec. 31, 1998

Global Emerging-Market Funds		Latin Amer Emerg Mkt	7.99
QCA Global Emerg	29.00	Eastern Europe	24.28
Ivy: Dev Nations-A	29.00	Cellender-East Euro	24.28
Forum Emerging Markets	24.53	RG CGF-Eur Eq USD	23.47
SP: Emerging Mkts	24.13	Bering GUF-East Eur	23.31
GMO-Evolving Cntryll	24.13	SBC Eq Fd E Europe	22.14
Schroder Cap:EMG Mkt Inv	24.06	Temp GS-East Euro	21.82
Firsthand Global Emerg	23.62	Grape Indo-East Europe	21.16
MFR EMG Mkts tot Ret	22.64	HYPO Osteuropa	20.72
Shinji Emerging Mkts	21.29	Sogekit Eq-East Euro	19.29
Leading Trkta Russia	21.29	NA GUF-Emerg Euro Gr	18.64
USA: Acadian Em Mkt Inst	20.53	JF Eastern European	18.23
Gartmore CS-Emerg Mkt	20.36		
Latin America		Asia ex-Japan	
CM: Global Lat Am Eq	12.48	Temp GS-Asian DevEq	87.52
WESS Lat Am	11.37	EM Fernost	56.00
Fidel AWF-Lat Am L	11.37	INVECO ASEAN Develop	49.34
KB Equity-Lat Amer C	11.29	Bardays ASF-ASEAN	47.83
INVECO Spd Lat Am Gro	10.58	Orbitex Asia Pacific	46.15
Vankamp Latin A	9.88	Ji Far East Emly	44.35
CI Lion-Fortne LatAm	9.43	LM Gb-Asia Drag	40.76
Monte Carlo Lat Am	8.03		
Lazard GER-Lat Amer	8.02		
Thread IF-Lat Am Gri	8.02		
Grape Indo-Latin Am C	8.04		

Source: Lipper Analytical Services

ahead, but stabilizing currencies and progress on fulfilling economic reforms imposed by the International Monetary Fund were enough to send investors charging back.

South Korea's stock market zoomed 117.32 percent in dollar terms, and in another show of confidence, last week its sovereign credit rating was restored to investment grade by Fitch IBCA, the rating agency. Thailand's stock market moved ahead by 31.89, and the Philippines was up 4.10 percent.

The rebound in Asia was especially welcome for Mark Mobius, the emerging-market guru at the Franklin Templeton Group, who stumbled badly last year when he jumped back into these markets prematurely, only to see his performance hammered when

they plummeted still further. "We were buying things that were bombed out in late 1997 and early 1998," Mr. Mobius said of his high-risk gamble. "Now they have come back, but it's very difficult in this business because people look at the short term, so long-term investors suffer. The bargain you buy today will not be realized for a year or two."

His Templeton Global Series Emerging Markets fund leaped 28.32 percent in the last quarter, fueled by his revitalized Asia bets.

Nor has Mr. Mobius abandoned his bargain-hunting ways. As Brazil devalued its currency and global markets shuddered, he was snapping up Brazilian telecommunications companies. For him, even Russia has a

bit of appeal.

"We're continuing to nibble at their Euro-bonds," he said. "They're looking very cheap right now."

Central and East European funds were also in a recovery mode in the fourth quarter, although Russia's problems took a toll on their full-year performance, with most down more than 30 percent. Of 64 funds, the only one to make it into the positive column for the year was Barings GUF Eastern Europe fund, which leaped 23.3 percent for the quarter, allowing it to eke out a meager 0.75 percent return.

"We staggered across the finish line," said the fund's manager, Martin Taylor.

Again, a key contribution to his performance was avoiding disaster. The \$141 million fund began pulling out of Russia in October of 1997, well ahead of the ruble devaluation last summer, and has no assets there now.

Equally defensive was what Mr. Taylor called an "active cash-management" policy, moving quickly into cash when trouble looms. At one point, he said, nearly 40 percent of the fund was out of the turbulent markets.

On the upside, Greece — currently 23 percent of his portfolio — delivered some of the fund's best returns last year. There is more to come, in Mr. Taylor's opinion, as Greece prepares to join the European Union in 2000.

His other two favorite countries are Poland, at 32 percent, and Hungary, at 24 percent, where he is concentrating on safer telecommunications, utilities and banks that do domestic business in these growing economies.

With some developing countries looking a bit healthier, one can only feel pity for Latin America funds. After a dreadful year, they are now forced to deal with the fallout from Brazil's devaluation and the danger that it could infect its neighbors.

Fund managers with no choice but to invest in Latin America contend that Brazil's weaker currency is a reason to buy export-oriented companies whose products will now be cheaper and more competitive.

Moreover, Mr. Mobius of Templeton was not the only fund manager buying Brazilian telecoms on the cheap. But portfolio managers who can shop anywhere in the world see the turmoil as one more reason to avoid Latin America.

Still, emerging-market investors are the ultimate contrarians, and last week, Brazil's devaluation was portrayed in some quarters as good news, possibly even signaling the beginning of the final act of the two-year-long meltdown.

"What's left to collapse now?" Mr. Taylor asked. "They've all gone."

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**WIRECASE**  
Finance Brokers  
Internet

Total percent return in U.S. dollars, Sept. 30 to Dec. 31, 1998

Source: Lerner Analytical Services

## Continued from Page 15

"Any stock can be given a haircut, but people will come back if they are given a reason to," Mr. Landis said.

"Our major mistake was that we were more aggressive than we should have been in the fourth quarter," Mr. Tice said. "We felt like this rally would likely abort at any time, and it kept going and going and going. We used options extensively to both limit our risk yet also to give us great

For him the answer is yes. The potential difficulties include the continuing and worsening circumstances in Russia and Brazil, as well as the precarious state of consumer spending in the United States, which has risen to the point that Americans are dipping into their savings to buy things.

and Korea have led the way and will demonstrate that by **biting the bullet** and taking **swift corrective action**. They will be at a tremendous advantage and will get more money."

Templeton's funds spent much of last year doing worse than their peers in emerging markets. Mr. Mobius's explanation is that stocks fell to reasonable levels, but after his funds invested in them, they fell further, to unreasonable levels.

down at the beginning of a new year, and the Internet stocks could be vulnerable now," he added. "Such reversals in popular groups have often had negative consequences for the market as a whole."

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**January 22, 1999**

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d	Emerging A	64.13
e	Emerging B	58.87
f	Emerging C	41.25

صلى الله عليه وسلم

## BRIEFCASE

Securities (Japan) Ltd., said that since a majority of the Japanese brokerage companies will perish in the Big Bang deregulation, some smaller players may be seizing on electronic trading as a means for survival. "How

IMAGAWA, <http://imagawa.webbroker.ne.jp/>  
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TOKYO GENERAL CORP. is a commodity trading house with a big on-line business. It plans to halve its current commissions on Feb. 1. Web site: [www.tokyogeneral.co.jp](http://www.tokyogeneral.co.jp)

Mr. Morris and Mr. Teach have a special problem. They are value managers in a year that was particularly cruel to value stocks. While

This strategy might be called modified value, rather than gung-bo value, and in the current climate — in which, as Mr. Lockshin points out, eight of the 10 top performers last

run their fund with extremely low turnover — usually less than 10 percent, meaning that they keep the average stock for 10 years or more. It also is user-friendly. Minimum investment to start is \$500, but if you will commit to even minuscule

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SPORTS

# 2d Delegate Resigns From IOC

## Libyan Quits as Olympic Panel Readies Report on Ethics Scandal

LAUSANNE, Switzerland — The International Olympic Committee (IOC) president, Juan Antonio Samaranch, said today that Bashir Mohamed Attarabulsi of Libya resigned Friday, the second member to step down rather than face possible expulsion in the Salt Lake City bribery scandal.

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Olympic Winter Games should have its overall integrity called into question.

The IOC director-general, Francois Carrard, said Mr. Attarabulsi and Mrs. Haeggen resigned in the "higher interest of the Olympic movement."

Mr. Samaranch did not rule out further resignations this weekend, when he is to receive an internal IOC report on corruption from Mr. Pound. He said 13 members were implicated in the IOC's investigation into cash payments, scholarships, medical treatment, gifts and other inducements related to Salt Lake City's winning bid for the 2002 Winter Games.

Olympic officials have identified other members accused of serious violations meriting possible expulsion: Agustin Arroyo (Ecuador), Zein el Abdin Ahmed Abdel Gafir (Sudan), Jean-Claude Ganga (Republic of Congo), Lamine Keita (Mali), Charles Minkora (Kenya), Sergio Santander (Chile) and David Sibande (Swaziland).

Four members cited for lesser infractions are: Anton Geesink (the Netherlands), Louis Guirandoo-N'Diaye (Ivory Coast), Kim Un Yong (South Korea) and Vitali Smirnov (Russia).

Also, Mr. Carrard said the IOC has discussed giving back a Swiss tax concession. He said the matter was reviewed because the IOC did not want to embarrass Swiss authorities.

In other developments:

• Britain's sports minister, Tony Banks, said Friday his country will not bid for the Olympics until the IOC "cleans up." Simon Clegg, chief executive of the British Olympic Association, called for Salt Lake to forfeit the 2002 Winter Olympics. His organiza-

tion wants the bid process overhauled.

• The Dutch newspaper De Telegraaf reported Friday that Brazil's Joao Havelange, a long-standing IOC member and former president of soccer's governing body, FIFA, accepted lavish treatment by Dutch officials trying to bring the 1992 Games to Amsterdam.

De Telegraaf said Mr. Havelange, 82, was among those IOC members who were winced, dined and given gifts. The newspaper did not specify the treatment Mr. Havelange received, but quoted a former Amsterdam organizer as saying he "went overboard."

"I remember it very well because he had special wishes — wishes which were in conflict with the IOC laws," said Peter Kronenberg, who headed the press office of the Amsterdam Olympic Games 1992 Foundation.

• The Swedish newspaper Laestindningen reported Friday that Mr. Ganga, the IOC member from the Republic of Congo, asked the Ostersund, Sweden, bid committee for the 1994 Winter Games to build a handball arena in the Congo, and that Mr. Sibande sought money for a plane ticket. Laestindningen quoted a bid committee member, Stig Hedlund.

Later Friday, Mr. Ganga denied accepting bribes and charged his accusers with seeking to smear Mr. Samaranch. He said he would not resign from the IOC.

• U.S. legislators want to tighten oversight of Olympic finances for the 2002 Winter Games. State Representative Jordan Turner's bill to create a panel of 12 senators and representatives was approved Thursday in committee and sent to the full House for consideration.



Bruins' center Tim Taylor reaching for the puck while spinning under an Ottawa defenseman, Wade Redden, in Boston's loss to the Senators.

# Trade Frenzy Begins in NBA As Lockout Officially Ends

By Mike Wise  
New York Times Service

NEW YORK — Karl Malone and Charles Barkley are staying put, Latrell Sprewell and Scottie Pippen have moved on to New York and Houston, and Dennis Rodman still has no idea where he will end up.

On what may be remembered as the most chaotic day in modern NBA history, a flurry of transactions flooded the league's offices as teams scrambled to fill out their rosters in the lockout-shortened season.

The lockout was officially lifted at 2 P.M. on Thursday, New York time, as many teams opened training camp with half-full rosters and awaited players whom they had acquired in deals that had not yet been approved by the league. The shortened 50-game season begins Feb. 5 and ends May 5.

The Knicks took part in the day's most talked-about trade, acquiring the controversial Sprewell from Golden State for John Starks, Chris Mills and Terry Cummings.

Some of the day's other developments included the following:

• Charles Barkley, speaking from the Bob Hope Chrysler Classic in La Quinta, California, has apparently decided to re-sign with the Houston Rockets and join Scottie Pippen and Hakeem Olajuwon on the league's most star-studded front line.

• Karl Malone met with Utah Jazz owner Larry Miller, and has decided to remain in Utah after saying, last summer, that he would never play for the Jazz again.

• Damon Stoudamire agreed to re-sign with the Portland Trail Blazers for \$31 million over seven years, making him the highest-paid point guard in the NBA.

• Antoine Walker has apparently agreed to a six-year, \$71 million contract extension with the Boston Celtics. Walker, in the final year of his three-year rookie contract, will team with Tony Battie, who was acquired from the Los Angeles Lakers for center Travis Knight.

• The Charlotte Hornets wasted no time in adding Derrick Coleman, announcing the signing of the free agent power forward just minutes after the official opening of training camp. Coleman received \$40 million over five seasons. But Vlade Divac and Matt Geiger did not re-sign with the club. Divac apparently is headed to the Sacramento Kings, and Geiger signed with Philadelphia.

• Miami Heat shooting guard Voshon Lenard was found to have a stress fracture in his left leg. He is expected to undergo surgery and be out for 8 to 10 weeks.

• After a deal with the Nuggets seemed to be unraveling, Antonio McDyess reached an agreement to return to Denver. McDyess was traded from Denver to Phoenix 15 months ago and both teams were bidding for his services. His new contract with Denver is a six-year deal worth a reported \$65.7 million.

Meanwhile, Rodman's agent, Dwight Manley, said that his client would not sign with any club before the coming week. The 37-year-old rebounder is likely to attract several offers.

# Islanders Break Through

## New York Beats Penguins to End Winless Streak

The Associated Press

Joe Sacco scored a shorthanded goal as New York ended an 11-game winless streak by beating the Penguins in Pittsburgh, 5-2, in Bill Stewart's first game as the Islanders' coach.

Stewart, who had been an assistant under Mike Milbury, was named head coach Thursday afternoon after Milbury resigned to focus on his duties as general manager. Stewart was coach of the year in the American Hockey League

### NHL Roundup

last season, when he led the St. John's Flames to the Calder Cup final.

The Islanders had been 0-10-1 since beating Boston, 4-2, on Dec. 26. They also had lost nine consecutive road games.

**Flames 4, Capitals 1** Eric Lindros tied his career high with a goal in his seventh straight game as host Philadelphia defeated Washington.

**Lindros's 26th goal**, second only to teammate John LeClair, gave the Flyers a 3-0 lead 33 seconds into the second period.

**Senators 3, Bruins 1** In Boston, Sami Salo scored his first NHL goal as Ottawa beat the Bruins. The Senators broke a seven-game winless streak against Boston and improved to 10-1-3 in their last 14 games.

**Red Wings 4, Hurricanes 1** In Detroit, Chris Osgood made 25 saves and just missed scoring his second career goal as the Red Wings ended a three-game winless streak. Nicklas Lidstrom had a goal and an assist for the Red Wings, who won for the seventh time in their last 21 games.

**Panthers 2, Rangers 1** Recently returned Pavel Bure made an impact for the second straight game, scoring a second-period goal as Florida beat the

New York Rangers at Madison Square Garden. Bure, who had two goals in his Florida debut in Wednesday night's 5-2 victory over the New York Islanders, broke a scoreless tie with a breakaway goal.

**Maple Leafs 4, Blues 2** Steve Thomas and Todd Warriner each had a goal and an assist as visiting Toronto beat St. Louis.

Jeff Reese was effective in relief of the All-Star goalie Curtis Joseph, who suffered a mild groin strain late in the first period, as Toronto wrapped up a 4-1-1 road trip.

**Lightning 3, Predators 2** Darcy Tucker tipped in a goal in the third period and Bill Ranford scored 34 shots as Tampa Bay beat the Predators in Nashville.

The victory was Tampa Bay's second straight, giving the Lightning back-to-back victories for the first time since a three-game winning streak at the end of October.

**Blackhawks 3, Canadiens 0** Jocelyn Thibault, facing his old team for the first time since a Nov. 16 trade, stopped 33 Montreal shots as the Blackhawks blanked the Canadiens in Chicago.

**Avalanche 4, Flames 2** In Denver, Joe Sakie scored two power-play goals and Rene Corbet had a goal and an assist as Colorado won its fifth straight. Sakie's second goal broke a 2-2 tie at 6:08 of the third period.

**Maple Leafs 3, Coyotes 3** In Phoenix, Paul Kariya scored Anaheim's last goal and Dominik Roussel had 41 saves as the Mighty Ducks beat the Coyotes.

**Devils 3, Kings 2** Scott Niedermayer scored the decisive goal 42 seconds into the second period as visiting New Jersey edged Los Angeles.

**Stars 2, Oilers 0** as a Patrick Marleau scored twice for host San Jose and Bill Guerin scored twice for Edmonton as the teams skated to a tie.

# Samaranch Should Resign From IOC

New York Times Service

NEW YORK — If the International Olympic Committee were a major business corporation, the directors and the stockholders would not be amused right now. The IOC is essentially in disgrace, visible to the world as lacking normal discipline or, one could even say, ethics.

The IOC, which preaches sportsmanship to the world, has been exposed as allowing, by benign neglect at best, perhaps more than 10 percent of its 114 delegates to reap personal gain by playing bidding cities against each other.

Any organization can deal with the lone wolf who cheats. What has happened at the IOC is much worse: a network of greedy delegates, opportunistic agents and critics on the make.

This is a mess. The corporations that pay the bills of the Olympic movement are understandably nervous. They do not want to commit additional money to the next set of Games until they can be reassured that their corporate logos are not going to be caught up in some decade-long Olympic scam.

Imagine a Kenneth Starr-type prosecutor quivering with delight at the hint that Salt Lake City credit cards had been used at "escort services" to entertain visiting delegates.

International corporations know what to do after an embarrassment or a bad quarter or two. The directors summon the chief executive officer into the corporate suite and give him the world's biggest buyout. The process is cold-blooded, but it protects the company from a leader who may have lost touch.

The IOC does not have that kind of

### Vantage Point/George VECSEY

oversight because it is in the control of Juan Antonio Samaranch, 78, the caudillo since 1980. His haughty responses in a telling interview in The Wall Street Journal this week indicate that Samaranch is not about to implement reform in the final two years of his term.

To give Samaranch his due, the IOC has expanded from merely a haven of the titled and the privileged to include new leaders such as the American rower and lawyer, Anita DeFranz, now an IOC vice president. Samaranch has sometimes been an eloquent voice for peace.

The issue is not whether Samaranch may have accepted the odd shotgun in Salt Lake City at the annual award in Japan.

"As the president of an international organization, he receives protocol gifts," the IOC vice president Richard Pound said Thursday. "But whatever he gets goes back to the IOC, either on display or in storage."

Pound will fly to Lausanne, Switzerland, to present his report on corruption in the IOC on Sunday.

"We'd like to express our sincere apologies for the actions of certain members," Pound said Thursday. "Their conduct has been completely contrary to everything the Olympic movement has worked so hard to represent."

Pound insisted that Salt Lake City had been the obvious choice for the 2002 Winter Games, with or without the graft. There were more than a few locals in Salt Lake City who were quite comfortable

giving tuition, medical care, presents, money and goodness-knows-what to every delegate with an extended hand.

Bidding by cities does not have to be a festival of sleaze. There can be rules, says Donna de Varona, the Olympic swimming gold medalist and journalist who is head of the organizing committee for the 1999 Women's World Cup of soccer. De Varona previously helped screen potential cities for the 1994 men's World Cup.

"There was a limit on how much every city could spend," de Varona said Thursday. "No gifts were acceptable. No videos were allowed, just slides. Each city made a bare-bones proposal."

The pity of the current IOC scandal is that more than a few rogue delegates were totally comfortable in shaking down local officials.

There was clearly a don't-ask, don't-tell policy in effect, straight from the top. It would be hard to have faith in this administration, particularly as the monster of drug abuse looms.

Pound, a Canadian, a former Olympic swimmer, with a good reputation and vigorous involvement in Olympic business, can be counted on to document some of the blatant abuses.

However, that would only be the first rudimentary step toward a more modern and democratic IOC that better served athletes without ignoring graft. This meeting in Lausanne is the ideal time for Juan Antonio Samaranch to serve the Olympic movement and resign.

### DENNIS THE MENACE



**JUNBLE** THAT SCRAMBLED WORD GAME by David Amiel and Billy Aronson

Unscramble these four Junbles, then use the letters to solve the clues below. In each clue, the first letter is given.

1. TIMAD  
2. DUMON  
3. STIVEN  
4. LUCTIE

Answer the clues in the boxes below.

1. ALIVE GARDEN COMEDY  
2. How this last season in years made them but — TREX ODDO

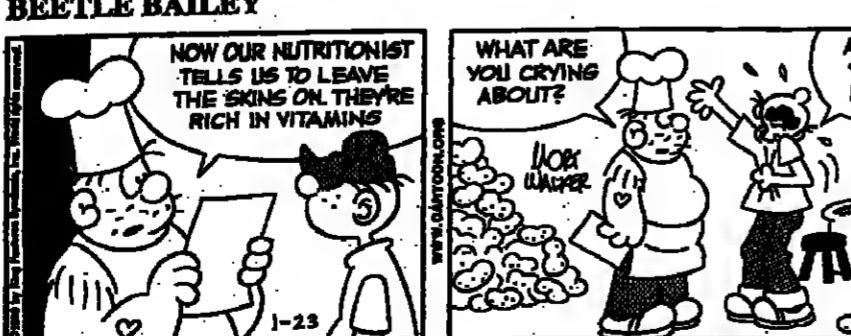
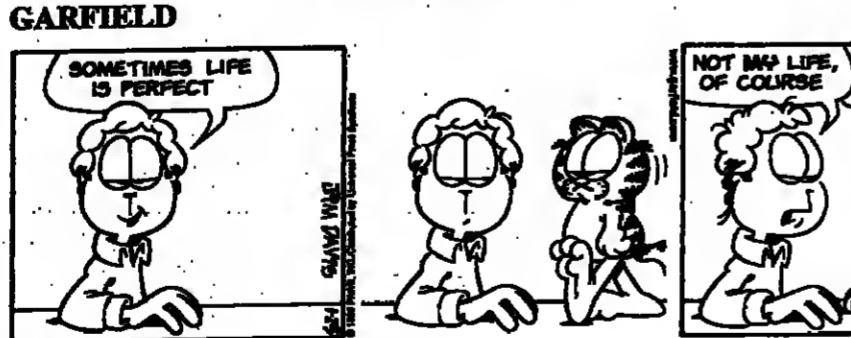
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DAVE BARRY

## Paper Beats Rock!

MIAMI — In case you've been too busy to follow the Trial of the Century in the U.S. Senate, here's the complete official transcript so far.

**SERGEANT AT ARMS:** Hear ye! Hear ye! Hear ye! All persons shut up and pay attention for the trial of the impeachment of the president of the United States, William Jefferson Clinton, on charges of messing around! No chewing of gum!

**SEN. LOTT:** At this time, in accordance with the Senate Big Book O' Rules, Senator Thurmond shall swear in the Chief Justice of the United States.

**SEN. THURMOND:** Raise your right hand. (The Chief Justice raises his hand.)

**SEN. THURMOND** (whispering to Lott): Why is he raising his hand?

**SEN. LOTT:** You told him to.

**SEN. THURMOND:** I told

who to?

**SEN. LOTT:** The Chief Justice.

**SEN. THURMOND:** Well, that's different. (To the Chief Justice:) Do you solemnly swear to tell the whole truth and nothing but the truth, until death do you part?

**CHIEF JUSTICE:** I do.

**SEN. THURMOND:** You do what?

**SEN. LOTT:** At this time, the Chief Justice shall administer the Oath of Solemn Swearing in all senators heretofore present.

**CHIEF JUSTICE:** Do you solemnly swear that in all things pertaining to and in pursuance of the trial of the impeachment of William James Madison Clinton, cross your heart and hope to die, including engine and transmission for three years or 30,000 miles, whichever comes first?

**SENATORS:** I do.

**CHIEF JUSTICE:** At this time, the Chairman of the House Judiciary Committee shall present the Articles of Impeachment of President Abraham Lincoln Clinton.

**REP. HYDE** (presenting the articles): Check out these babies.

**SENATORS:** Whoa.

**CHIEF JUSTICE:** The articles of impeachment of President William Woodrow Wilson having been presented, the Majority Leader and the Minority Leader shall now proceed with the Choosing of Who Goes First.

**SEN. LOTT and DASCHLE:** Once, two, three... shoot!

**CHIEF JUSTICE:** The Chair observes that the Minority Leader made a rock and the Majority Leader made paper. The Chair rules that paper beats rock.

**SEN. DASCHLE:** I didn't make a rock! I made a crab!

**SEN. LOTT:** Objection! This is Rock, Paper, Scissors!

**CHIEF JUSTICE:** The Chair rules that paper beats crab. The prosecution shall proceed.

**REP. HYDE:** For its first witness, the prosecution calls to the stand White House aide Sidney Blumenthal. Mr. Blumenthal, please state your name.

**MR. BLUMENTHAL:** I don't recall.

**SEN. THURMOND:** Me either.

**REP. HYDE:** Blumenthal, would it be fair to state that you remind a lot of people of some kind of burrowing carnivore?

**PERRY MASON:** Objection, your honor! He's badgering the witness!

**REP. HYDE:** The prosecution calls Monica S. Lewinsky. Miss Lewinsky, on the evening of Nov. 15, 1995, did you go to the White House wearing "thong" style underwear?

**MISS LEWINSKY:** Yes.

**REP. HYDE:** And are these the underwear in question?

**PERRY MASON:** Objection! He's wearing them backward!

**REP. HYDE:** And while you were thus bethooged, Miss Lewinsky, did the president, William Baines Johnson, to your knowledge, commit a high crime or misdemeanor or take some form of gander?

**SEN. THURMOND:** Are we voting on Barbecue Safety Awareness Week?

**REP. HYDE:** Not right now.

**SEN. THURMOND:** Good, because I'm against it.

**MISS LEWINSKY:** Yes.

**REP. HYDE:** Yes what?

**MISS LEWINSKY:** I don't recall.

**SEN. THURMOND:** Or maybe I'm for it.

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## Setouchi Jakucho Takes Japan Back 1,000 Years

By Kaori Shoji

TOKYO — Setouchi Jakucho enters a room and all conversation ceases. Fascinated eyes scrutinize her small figure, taking in every detail from the top of her perfectly shaved head down to the elegant sandals that adorn a pair of white, tiny feet. The looks are appreciative, even sexual, as if aimed at a model just stepped off a runway from a particularly radical, Yohji Yamamoto collection.

Actually, they are appraising a 77-year-old Buddhist nun, the reigning dowager novelist of Japan.

Setouchi brings her hands together in a prayer and bows. It is only after she has sat down, arranged the folds of her *kezo* and presses everyone to sit as well, that the spell is broken and people are jolted into movement.

When an admirer takes out a camera, Setouchi rises gracefully, saying, "You would like to take a photo? Well I won't say 'cheese.' I always say 'Genji.'" As those in the room dissolve in polite but delighted laughter, the shutter clicks and the flash goes off.

The remark about Genji reveals that Setouchi is as much businesswoman as writer.

Having completed the modern Japanese translation of "The Tale of Genji," Setouchi has been on a nonstop lecture circuit for 14 months, covering Japan from end to end and grinning "Genji" before a million cameras.

She has enjoyed success through her 50-odd-year writing career, but nothing quite like this. More than 2 million copies of the book have been sold so far. Setouchi admits that she has been pleasantly surprised, though "when you think about it, it stands to reason."

She adds: "With the economy in such bad shape, people want an escape hatch. Something that's totally removed from their present state. And what can be better than a 1,000-year-old love story of royalties?"

Written by Lady Murasaki Shikibu a millennium ago, "The Tale of Genji" is probably the most famous Japanese work in the world. Ironically, the text is indecipherable by modern standards and rare is the Japanese who can claim to have read the original. Various editions (including Junichiro Tanizaki's) have cracked "Genji," but Setouchi is the only one who dared to translate it as she puts it, "into plain, no-nonsense language."

It's about time. Up to now, a "Genji" reader was hindered by two things: the sheer volume of the thing (more than 2,000 pages) and Murasaki's style — an almost total absence of nouns. To read it was to wade into a sea of disconnected verbs. (In addition, among scholars of the book, the biggest debate has always been over who did what.)

Setouchi explains that the style was typical of the period, especially in exalted circles: "It was the height of rudeness for anyone in the royal court to refer to names at all. In 'Genji,' everyone is referred to by the houses they live in or rooms they occupy. Calling anyone by name was an act of violence."

The exception is Genji himself, otherwise known as the "Shining Prince." Born as the son of the emperor and his favorite concubine, Genji matures from a beautiful baby into the most handsome prince the court has ever seen. He seduces everyone, including his stepmother at the age of 12, and his adopted daughter when he was 27. Genji literally spends the entire tale flitting from one lady's chambers to the next; "hot stuff" as Setouchi describes it.

"But it wasn't pornography," she adds. "All sexual acts are concealed under layers of robes or behind tastefully decorated screens. The sex in 'Genji' is very subtle and nuanced. The reader must guess what's going on, though it was always the same thing. If you know what I mean." She grins wickedly.

If Lady Murasaki was all for delicacy, her modern translator is exactly the opposite. "Why pretend it's the height of culture?" Setouchi asks. "People hear 'Genji' and immediately they talk in whispers, like in a museum. Hah, ridiculous! 'Genji' should be read on a sofa, with a box of cookies in hand."

After all, there was nothing very cultured about Genji's affairs (for all the flowery language) since they always began with what she calls "forced sex."

"It was rape, really," Setouchi says. "But then women of that era couldn't hope for much better. Relationships began when a man broke into their chambers and ended when he snipped coming around. And remember that all marriages were arranged by the parents and used as political leverage."

Genji also used his many conquests to climb the political ladder: The Shining Prince wasn't exactly shining with innocence. I have him pegged as a scoundrel. And she adds: "Genji" was the first and last Japanese work to depict royalty with such candor. If anyone tried the same thing today, they'd be thrown in prison."

Lady Murasaki would read aloud the day's installments to the emperor and his aides, who roared with laughter and clamored for more — which goes to show how liberal Japan used to be in that respect."

Setouchi calls "Genji" her "life project" but contrary to popular belief, it wasn't the love/sex factor that triggered her translation. Setouchi — who has earned the nickname "Womb Writer" with her explosive autobiographical works of sex and family, and whose most recent work is about a sexually active 90-year-old woman — says Genji's love affairs had never attracted her.

"I felt that Genji's women were such saps — always ditched for someone new, waiting in vain for him to come around. I couldn't identify with them at all. Then I discovered that after a certain point, they broke with Genji and became nuns. For them, nunhood was a declaration of independence. That was what got me hooked."

Setouchi herself took the Buddhist habit at 51, though she had been "longing to do so all through my 40s."

She has a retreat in Kyoto, where women from the nation over come to seek her advice. "Of course I talk to them. Many say they want to become nuns. I tell them it's not like in 'Genji' where women didn't have much choice. Religion was often their only salvation. Today's women have a wider range of options."

In fact, she said, all those options make some women unhappy. "As for myself, Buddhism means that I would continue to exist in the secular world but that inside, I would be dead. I cry and laugh like anyone else but at the same time I'm detached. Like none of anything matters, and I'm not here at all. This is freedom you know, real freedom. I suppose that's what Genji's women wanted, too."

Kaori Shoji is a writer based in Tokyo.



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## PEOPLE

FRANKFURT, the birthplace of Johann Wolfgang von Goethe, is planning dozens of cultural events this year for the 250th anniversary of his birth. The official start of events honoring Goethe will be a performance of the first part of his dramatic poem "Faust" at the Frankfurt Schauspiel theater on Jan. 30, under the title "World Citizen Goethe — Open World of Frankfurt." That will be followed by more than 170 concerts, readings and exhibitions, over the next weeks and months, city officials said. The final celebration will be on his 250th birthday, Aug. 28, with a citywide festival and performances at the Alte Oper opera house.

The model Cindy Crawford is pregnant, the Miami Herald reported. Crawford married the businessman and former model Rande Gerber last May in the Bahamas. The child is expected in late June, the newspaper reported.

The author Salman Rushdie has contributed lyrics to a new song by the Irish rock band U2. The Guardian newspaper reported Friday. Rushdie, who lived for nearly a decade under an Iranian death sentence prompted by his 1989 book, "The Satanic Verses," gave U2's lead singer, Bono, the lyrics for his new novel, "The Ground Beneath Her Feet." The romantic ballad, also to be called "The Ground Beneath Her Feet," will be on U2's next album, the report said. "Bono and I have been friends for several years, and I sent him the novel when I'd finished it, and he responded by coming up with this beautiful melody," the newspaper quoted Rushdie as saying. "Simple as that, but of course very pleasurable." The author's collaboration with U2 would not be his first: He appeared on stage with the band in London in 1993.

Kirk Douglas and his wife, Anne, have given a total of \$738,000 to 38 recipients of the Playground Enhancement Awards, financed by the Douglas and two foundations to create and restore play areas for children. "The

children of Los Angeles deserve to have clean, safe places to play," the actor said. "Anne and I firmly believe that playing not only leads to better learning, but is one of the basic rights of childhood — that we should all work to protect." This year's awards are meant to create playgrounds for 56,000 children.

Burton Roberts, the model for the fiery judge in Tom Wolfe's "The Bonfire of the Vanities," is not exactly known for his patience. Maybe that's why the former Bronx judge's retirement lasted only about as long as other people's vacations. Just three weeks after leaving his position as chief administrative judge of the Bronx, Roberts announced that he was joining the law firm Fischbein Badillo Wagner Harding.

Roberts spent a half-century in public service law, as a prosecutor, district attorney, judge and finally chief administrative judge. This will be the first time he has worked in private practice. He was required under New York state law to retire from the bench at 76.

LIMELIGHT — The actors Alain Delon, left, and Stéphane Freiss going to a rehearsal in Brussels of the play "Variations Enigmatiques," a transfer from Paris.



LIMELIGHT — The actors Alain Delon, left, and Stéphane Freiss going to a rehearsal in Brussels of the play "Variations Enigmatiques," a transfer from Paris.



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